Daily Report

Latin America

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FBIS-LAT-91-055 CONTENTS *21 March 1991*

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INTERNATIONAL AFFAIRS

European Parliament Delegate Makes Speech *[Managua Radio]* 1

INTER-AMERICAN AFFAIRS

CIES Outlines Economic Effects of Gulf War *[CANA]* 3
OAS Economic, Social Council Begins Meeting *[CANA]* 3
'Amazon Parliament' Issues Statement of Objectives *[La Paz EL DIARIO 11 Mar]* 4

CARIBBEAN

Cuba

Government Confirms Desertion of Air Force Pilot *[Madrid EFE]* 5
Castro Views Agricultural, Military Issues *[Havana Radio]* 5
Castro Addresses Antonio Maceo Contingent *[Havana TV]* 8
Castro's Address Broadcast *[Havana TV]* 8
Soviet Official Calls Soviet-Cuban Model Obsolete *[Mexico City NOTIMEX]* 9
Nicaraguan Support of UN Rights Resolution Noted *[Havana Radio]* 9
Persons Tried for Embezzlement, Theft Sentenced *[Havana TV]* 9
Escalona Meets With Uruguayan Health Delegation *[Havana TV]* 10
Minister Meets Delegation *[Havana Radio]* 10
Health Minister Meets With Zambian Counterpart *[Havana Radio]* 10
Austrian Union Leaders Tour Cardenas Area *[Havana Radio]* 11
* Production of Pharmaceutical Containers Ensured *[TRABAJADORES 2 Feb]* 11
* Decrease in Job-Related Deaths Reported *[TRABAJADORES 9 Feb]* 11

Antigua and Barbuda

Honesty, Solution to Political Crisis Sought 11
Groups Demonstrate for Solution *[CANA]* 11
Resignation of Ministers Wanted *[CANA]* 11
Ministers Resign 20 Mar *[CANA]* 12

Dominican Republic

Liberation Party Requests Bosh Not To Resign *[Santo Domingo Radio]* 12
* Rights Group: 'Inhuman' Treatment of Haitians *[EL SIGLO 11 Feb]* 12
* Reportage, Comments on 1991 National Budget 13
* 10.25 Billion Peso Budget *[LISTIN DIARIO 29 Dec]* 13
* Comparison With 1990 Budget *[LISTIN DIARIO 9 Jan]* 13
* ONAPLAN Reviews Budget *[LISTIN DIARIO 11 Jan]* 15
* Priorities: Energy, Health *[EL CARIBE 29 Dec]* 17
* Budget Practices Criticized *[EL SIGLO 4 Jan]* 17
* Economic Reportage on Fiscal Year 1990 18
* Fiscal Year Reviewed *[LISTIN DIARIO 27 Dec]* 18
* Inflation Tops 100 Percent *[EL SIGLO 28 Jan]* 19
* Economy 'Deregulated', Price Controls Lapse *[EL NACIONAL 12 Feb]* 19
* Free Zone Entrepreneurs Violate Labor Laws *[EL NACIONAL 10 Feb]* 19

Haiti

Aristide Interview on Economy, Foreign Relations *[Port-au-Prince Radio]* 20
Supreme Court Judges Sworn In by Aristide *[Port-au-Prince Radio]* 21
Parties, Parliamentarians View Swearing In 22
FNCD Issues Statement *[Port-au-Prince Radio]* 22
PUCH: Appointments 'Arbitrary' *[Port-au-Prince Radio]* 22
MPP Comments on Conflict *[Port-au-Prince Radio]* 22
Parliamentarians' Statement *[Port-au-Prince Radio]* 23
Aristide Says: Fight Zenglendos, Cost of Living *[Port-au-Prince Radio]* 24
Justice Ministry To Prosecute Embezzling Macoutes *[Port-au-Prince Radio]* 24
Justice Minister Comments *[Port-au-Prince Radio]* 24

St. Vincent and the Grenadines

Rescued Cuban Refugees Await Immigration Decision *[CANA]* 25

Trinidad and Tobago

Court Dismisses Muslimeen Coupists' Appeal *[CANA]* 25

MEXICO

'Fast Track' for Free Trade Agreement Desired *[AFP]* 27
Increase in Number of AIDS Cases Reported *[NOTIMEX]* 27
Pemex Director on Closing Refinery, Future Plans *[Mexico City TV]* 27
Workers, Industrialists React *[NOTIMEX]* 28

CENTRAL AMERICA

Belize

Canadian Couple Shot to Death, Bodies Found *[CANA]* 29

El Salvador

Government, Guerrillas Say Cease-Fire 'at Hand' *[San Salvador Radio]* 29
Main Points of FMLN Proposal Highlighted *[Radio Venceremos]* 29
Air Force Chief: No Rebel Controlled Areas *[San Salvador TV]* 30
Treasury Workers Strike Again; Others May Join *[ACAN]* 30
'Solution Could Be Near' *[San Salvador TV]* 31
Arena Claims Victory in 175 Municipalities *[LA PRENSA GRAFICA 19 Mar]* 31
FMLN Says Army Seeking More 'Scapegoats' *[Radio Farabundo Marti]* 31

Nicaragua

Assembly Divided on Strike-Ending Agreement *[Managua Radio]* 32
Energy Institute Director on Power Outages *[Managua Radio]* 32
* Power, Corruption in FSLN Questioned *[EL NUEVO DIARIO 14 Feb]* 33

Panama

Government Free To Initiate Diplomatic Relations *[EL SIGLO 16 Mar]* 34
President To Present Draft Bill Proscribing Army *[LA PRENSA 19 Mar]* 34
Arias Calderon Views Constitutional Reform *[LA ESTRELLA DE PANAMA 11 Mar]* 35
Former Military Officer To Form New Party *[EL SIGLO 13 Mar]* 36

SOUTH AMERICA

Argentina

Menem, Cavallo on Measures To Increase Revenues *[BUENOS AIRES HERALD 19 Mar]* .. 37
Ikonicoff Named Interior Ministry Under Secretary *[TELAM]* 37
Alleged 'Conspiracy' Against 'Madman' Menem *[BUENOS AIRES HERALD 20 Mar]* 37
Rights Leader Charged for Calling Menem 'Rubbish' *[Madrid EFE]* 38
CNEA Chief on Construction, Uranium Sales *[TELAM]* 38
Defence Minister Gonzalez Leaves for Rome 20 Mar *[TELAM]* 38

Bolivia

Militarization 'First Step to Colombianization' *[La Paz Radio]* 38
Militarization Criticized *[La Paz Radio]* 39
Coca Producers Suspend Eradication Program *[EL DIARIO 13 Mar]* 39

Brazil

Fuel, Cooking Gas Shortages in Several States *[Rio de Janeiro TV]* 39

Chile

Aylwin Addresses Bankers on Debt Agreement *[Santiago Radio]* 40
Foxley Denies 'Political Crisis,' Asks for Calm *[Santiago Radio]* 40
Finance Minister Comments on Foreign Debt Bonds *[Santiago Radio]* 41
Education Minister Denies Interparty 'Crisis' *[Santiago Radio]* 41
Health Ministry Budget Official Solimano Resigns *[Santiago TV]* 41
Air Force Chief Denies Rumors of Resignation *[Santiago Radio]* 42
Uruguay's Lacalle Arrives; Welcomed by Aylwin *[Santiago TV]* 42

Colombia

Gaviria on Talks With Venezuela, Other Issues *[AFP]* 42
Rebels Attack Oil Pipeline, Ecopetrol Official *[Bogota Radio]* 42
CNG: Direct Dialogue Chief Element for Peace *[Bogota Radio]* 43
CNG Releases 9 Policemen, TV Reporters *[Bogota TV]* 43

Peru

Defense Minister Supports Anti-Drug Agreement *[Lima TV]* 43
Argentina's Di Tella on Integration, Cooperation *[Buenos Aires TELAM]* 43
Di Tella Meets Fujimori *[Buenos Aires TELAM]* 44

European Parliament Delegate Makes Speech

PA2103030091 Managua Domestic Service in Spanish 1828 GMT 18 Mar 91

[Speech by Fernando Suarez Gonzalez, president of the European Parliament delegation, at the San Jose VII meeting at the Olof Palme Convention Center in Managua on 18 March—live]

[Text] Madam President of Nicaragua; Mister President of the Commission of the European Communities; Mister Vice President of Nicaragua; Mister Commissioner; Foreign Ministers; Ambassadors; ladies and gentlemen.

This is the fourth meeting of this conference, of which I am honored and pleased to appear before you as the representative of the European Parliament and its distinguished president. My fellow parliament members from all political groups salute each and every one of you and express their full support for this conference, as they have done since the first San Jose meeting.

I would first like to congratulate myself and congratulate you for the consistency with which these meetings have been held, as a clear expression of the normality that characterizes our relations. We have found the appropriate medium to strengthen those relations and that medium is proving itself to be highly effective. It is so effective that this model of institutional cooperation—the annual conference of ministers—will be used in the relations between the European Community and the Group of Rio, as a privileged interlocutor in South America.

This meeting is a product of the conference of ministers held in Rome on 20 December 1990 and new proof of the will of our European community to maintain and expand its bonds with Central and South America.

I am sure that Central America's participation within the Group of Rio will undoubtedly reinforce its position in the American conglomerate as well as its relations with the European Community.

The European Parliament's presence at this conference, which is intended to be stimulating to your work, will be as continuous as it is traditional. The European public opinion, which we rightfully represent, does not change from year to year. Therefore, it should not seem strange to anyone that our message derives from the words: peace, democracy, development, and social justice.

I know well that at a meeting such as this one must use diplomatic language, but we parliament members are lucky enough to be able to use common language. Allow me to make a renewed bid for peace using that language.

We must make it possible for any idea and any project to be publicly defended, and for the level of support it enjoys to be measured at the polls in order for those groups who are still armed to surrender their weapons.

No political sector can expect the support or even the understanding of the European democratic forces, if they insist on defending their positions through violence.

It is only in peace that a better future can be built for the people. I would like to appeal to the hearts and minds of those in charge of any guerrilla or unconventional warfare group to make them understand that liberty and justice can be attained without death and bloodshed, and to make them feel the horror that every human being feels for innocent victims.

You are building the foundations of peace. Some have been doing this for decades, while others have just begun. Europeans feel such enthusiasm and admiration for these efforts. Democracy is not, however, limited to merely holding elections every certain number of years.

We must all strive to achieve an absolute respect for man's sacred rights; a separation of the state branches with a definite judicial independence, which the foreign minister of Nicaragua so accurately mentioned here; and a civilian authority's supremacy over any other authority within the executive branch. I apologize to those who might think that I am mentioning internal policy issues. I would not do it if I were not fully convinced that all the democratic governments of Central America share this belief; and I think it is necessary to proclaim that they have the absolute solidarity of democratic groups in Europe. Their solidarity is stronger when referring to the two greatest goals that must be acheived in peace and democracy, meaning development and social justice. These, I believe, are the issues that should be made a priority at this conference.

As you know, the European Parliament has not stopped its efforts to support and encourage the positive actions carried out by the EEC in this region. The numerous contacts maintained by our delegation for relations with this zone, and our many trips to your countries, have allowed us to fully learn about your problems and concerns. I am sure that the ministers of the twelve EEC member nations are not surprised to hear me say, once more, that the European Parliament considers the EEC's current level of cooperation to this region insufficient.

This is not my personal opinion. The European Parliament has said this on several occasions, the last of which was at the 22 February 1991 plenum, when it asked the EEC and its members states to strongly support the development, integration, and advancement of the economic and social improvement policies in the region. The European Parliament also warned that the measures aimed at solving the foreign debt problem must precede any other effort.

In any case, the European Parliament certainly does not want the development model to be determined from abroad. Instead, it should be defined by the Central American presidents as the most convenient for their respective nations' interests and wishes. The Central American presidents clearly stated during the Puntarenas summit in December 1990 that they are willing to

strive for a Central American integration, and we welcome all the progress achieved in this direction because it agrees with our own convictions about integration. We are also pleased because it was agreed during the January 1991 summit at Tuxtla Gutierrez that efforts would be made to achieve progress toward the integration of a free trade zone between Mexico and Central America by 1997—through economic cooperation and a supplementary agreement that will undoubtedly strengthen your regional identity.

On a larger scale, we believe that the U.S. President's proposal, known as the Initiative for the Americas, is worthy of serious study because it advocates a free trade system. It also endorses investments in this region by adopting mechanisms that would allow the debt to be swapped in exchange for ecological protection. We hope that this initiative will result in a more just and equitable era of relations between the United States and all of its southern neighbors.

Nevertheless, we are here to talk about cooperation between Europe and Central America, a cooperation that could result in specific and reliable results. This was proved by the enforcement of the regional payment system that emerged from your last conference in Dublin. The European Parliament trusts, Messrs. foreign ministers and ministers, that the conference inaugurated today will result in significant progress on these issues.

Europe is aware of the fear which prevails in Latin America of what will happen once the EC forms its internal market in 1992, that maybe it will become a protectionist fortress. I would like to assuage those fears. I was convinced that the Commission and the Council authorities would also try to assuage those fears in this conference—even before hearing the chairman of the Council and the commissioner.

Referring to the agreements that were recently made by the Commission with several South American countries to open the system of generalized preferences to their products within the framework of the initiatives for the struggle against drug trafficking, you must all remember that the European Parliament has asked the Commission to extend those same measures to the Central American region in the future. Europe will not be able to maintain its strength if it does not make some sacrifices to help achieve the development of other areas in the world.

I cannot avoid mentioning the Central American Parliament, which we would like to see operating and given some authority so that it may soon become the means to achieve a Central American integration, and a negotiated and peaceful solution to regional problems. We are aware of the Central American Parliament's important and we have offered our assistance. Assistance programs have already been launched to prepare the institution's operations, but it is evident that the Central Americans, themselves, must exert themselves to the utmost to build and that Parliament—which is the fruit of a generous vision of the Central American future. We hope that the reservations which still prevail on the issue will soon disappear so that the forum may definitely begin operating.

Since I have full confidence in your will, and since I trust your actions, I am sure, Messrs. Ministers and Foreign Ministers, that the success of this conference will fulfill my expectations. Thank you. [Applause]

CIES Outlines Economic Effects of Gulf War

FL1803175091 Bridgetown CANA in English 2223 GMT 17 Mar 91

[Text] Washington, March 17, CANA—The Gulf crisis "has had a number of adverse effects" on the economies of Latin America and the Caribbean, says a report to be considered at the forthcoming annual meeting of the Inter-American Economic and Social Council (CIES).

The permanent executive committee of CIES, chaired by Ambassador Marcos Martinez Mendieta of Paraguay, gave its approval to the report, subject to some changes, which will be introduced by the time the CIES meeting opens on Tuesday.

The report indicates that the initial increase in the price of oil created the fear that the net oil importing countries of Latin America and the Caribbean would again suffer a considerable resource drain that would seriously affect their already precarious ability to meet their international payments. The document goes on to point out that there was also fear that inflationary processes would reappear that would affect investment levels and productive activities.

It cites, however, that "while a great many of those fears did not materialize, other effects of the Gulf crisis have been felt, more in some countries than in others, such as the decline of world tourism, and the loss of the Arab countries' markets for agricultural and industrial products from economies of the region."

The report notes that "the conflict being over, it is anticipated that trade relations with the Gulf countries will be gradually re-established, and that they could even increase, due to the need to repair and rebuild the economic infrastructure, as well as roads, ports, airports, refineries, housing, electricity, telecommunications, drinking water, sewer systems, etc."

In summarizing the current economic and social conditions in Latin America and the Caribbean, the report indicates that "the decade of the 80's ended without having found solutions to the most serious economic and social development problems of the Latin American and Caribbean countries." It adds that "the per capita product of that region at the end of 1989 was 10 percent below that of 1980," and that "the year 1990 saw a decline in the global product, estimated at 0.8 percent, partly attributed to the impact of the recent Persian Gulf crisis, so that the per capita product registered an additional decrease of around 2.8 percent."

The document points out that "the prospects for relief, or a solution to the financial and economic crisis of Latin America and the Caribbean during the new decade, could be entering a more promising phase," due to the combination of elements, such as the Enterprise for the Americas Initiative of President George Bush, "which together can effectively assist economic recovery."

The OAS study underscores also the importance of a positive outcome to the Uruguay round of multilateral trade negotiations, "to ensure a favourable international environment propitious for the economic recovery of the Latin American and Caribbean countries during the decade of the 90's."

CIES, which was established in 1945, became, under the OAS charter signed in 1948, one of the permanent organs through which the OAS achieves its objectives. CIES reports directly to the OAS General Assembly, and is composed of a principal representative of the highest level from each member country. The purpose of this, one of the three councils of the OAS, is to promote cooperation among the countries of the Americas to speed up their economic and social development.

During the 25th annual meeting, which is scheduled to continue through Friday, CIES will also consider programmatic guidelines for the 1992-1993 biennium, in the economic and social area, as well as the plurinational projects to be promoted by the OAS in that area throughout the next two years.

OAS Economic, Social Council Begins Meeting

FL2103004591 Bridgetown CANA in English 1954 GMT 20 Mar 91

[Text] Washington, March 20, CANA—The Inter-American Economic and Social Council (CIES) opened its annual meeting here Tuesday, with a warning from a top official that the Caribbean and Latin America face a major setback to democracy. CIES Secretary Dr. Augusto Galli said declining social conditions in the region were threatening the stability of democratic governments. CIES is a branch of the Organisation of American States (OAS).

Outgoing president, Ambassador Eladio Knipping Victoria of the Dominican Republic, underlined the seriousness of the problem facing the region, noting in the last decade that "the Latin American and Caribbean regions experienced the most serious economic crisis since the great depression of the 1930's." He said there was an urgent need to ensure that Latin America and the Caribbean are not left out of "the new international economic order which is about to be established."

"We do not want to be the new Atlantis of the immediate future," said Knipping Victoria. He said U.S. President George Bush's Enterprise for the Americas Initiative (EAI), the new focus of Washington's foreign policy towards the region, inspired great expectations for Latin America and the Caribbean. Victoria suggested that the OAS should play a role in the discussions on the EAI, which aims at eventually establishing a hemisphere-wide free trade area.

CIES also elected new officials on Tuesday. The new president is ambassador Marcos Martinez Mendieta of Paraguay. The first vice-president is ambassador Jose

Antonio Tijerino of Nicaragua; the second vice-president is ambassador Denneth Modeste of Grenada; and the third vice-president is ambassador Jean-Paul Hubert of Canada. All the elections were by unanimous acclamation. The office holders will hold their position for one year, until the next annual meeting of CIES.

'Amazon Parliament' Issues Statement of Objectives

PY1903143091 La Paz EL DIARIO in Spanish
11 Mar 91 p 3

[Text] The Amazon Parliament, which met last weekend in Santa Cruz with representatives from Bolivia, Brazil, Colombia, Ecuador, Guyana, Peru, Suriname, and Venezuela attending, concluded with the signing of a Statute of Constitution which obliges members to make the greatest effort to turn the Amazon region into a source of progress, well-being, and prosperity and to jointly mobilize against any danger, threat, or intervention that may hinder or prevent the achievement of this objective.

Another article in the document ratifies the integration principles proclaimed by the Latin American community and establishes the will—repeatedly expressed in the Amazon Cooperation Treaty signed in 1978 during a meeting of presidents of Iberian-American democratic parliaments and in other previous declarations—to carry out joint and collective actions to preserve the rights of the Amazon region and promote its development.

Amazon Parliament Objectives

A. To protect and defend the national sovereignty and territorial integrity of each and every country whose parliament is a member of this Amazon Parliament by promoting the rational use and preservation of the region's natural resources in keeping with the interests of the peoples of the Amazon region and the rest of humanity, based on technical and scientific criteria as well as contributions from native cultures.

B. To establish increasingly strong and close ties of economic, social, scientific, cultural, and political cooperation and integration with the purpose of developing the Amazon region.

C. To promote total respect for the basic liberties of humankind and to support the native communities' struggle for their territories and free cultural expression.

D. To struggle against all forms of colonialism and neocolonialism in the Amazon region.

E. To actively and continuously contribute to respect for and strengthening of peace, legal order, and international security in the Amazon region.

F. To promote, as an essential concept, the total validity of the democratic system in the juridical order of states.

G. To contribute, through the mobilization of the many national, Latin American, and universal resources, to the development of the Amazon region in keeping with the aspirations of our peoples and humankind. In keeping with these objectives, the Amazon Parliament will design and recommend policies for all aspects of development in the Amazon region and announce the appropriate means of cooperation and understanding for the adoption and application of these policies through laws approved by the member-parliaments of the Amazon Parliament.

To achieve these goals, the Amazon Parliament will maintain close contacts with the national parliaments of all the countries of Latin America, the continent, and the world; with the parliamentary institutions that were founded on the ideals of Latin American integration, such as the Latin American Parliament, the Andean Parliament, and the sponsors of the Central American and Caribbean Parliament; and with all the international and regional organizations of the world.

To achieve these goals and to coordinate actions among the members of the Amazon Parliament, a mechanism for sharing information from regional parliaments will be established to gather, put in order, and disseminate reports on the legislative activity of the national parliaments belonging to the Amazon Parliament.

Cuba

Government Confirms Desertion of Air Force Pilot

PA2103045991 Madrid EFE in Spanish 0416 GMT 21 Feb 91

[Text] In a communique released this evening, the Cuban Ministry of the Revolutionary Armed Forces confirmed the desertion of an Air Force pilot who escaped this morning to Key West, in the United States, in a "MiG-23" plane.

The pilot, Major Orestes Froilan Lorenzo Perez, "committed an act of treason when, while on a training mission, he flew the MiG-23 combat plane to the United States and surrendered to the authorities of that country," the communique adds.

The official communique from Havana identifies the airplane as a MiG-23, instead of a MiG-27—both are Soviet-made—which was what the U.S. authorities reported when they gave the first details about the Cuban pilot's defection earlier today.

The Cuban Ministry's communique gives the name and rank of the pilot, which have yet to be confirmed by the U.S. authorities from whom the pilot has requested political asylum.

Castro Views Agricultural, Military Issues

FL2103002091 Havana Tele Rebelde Network in Spanish 1134 GMT 20 Mar 91

[Interview with President Fidel Castro Ruz by unidentified reporter; place and date not given—recorded]

[Text] [Reporter] What does the top leader of this revolution think on a day such as today, when Cuba is being accused, when it is being said that we are alone, that there are no possibilities for Cuba to survive; we, nevertheless see a camp such as this one, youths such as these?

[Castro] Well, I think that [words indistinct] depends on us, of what we are capable of doing. We have proven the enemy wrong more than once throughout history. As far as the loneliness is concerned, we are never going to have more company than the one we have now because never before had a such a small country such as Cuba had such a big responsibility. This explains why so many hopes are focused on Cuba today. This has won the sympathy of the peoples who are living under the terror of having to endure the U.S. hegemony and despotism. Today more than ever, it can be said that any country must be ready to resist, and the Cuban people will not disappoint those who have placed their trust on us.

[Reporter] Earlier today, we were discussing that results can already be observed in, for example, the food program. That is, the people say that they are able to get potatoes, for example, in the food markets....

[Castro, interrupting] Produce in Havana City in February doubled that of February 1990, and produce in March will also double that of last year. The amount of produce in April will also be large. What we are doing now is distributing and storing produce. For example, we must store about 50,000 to 60,000 quintals of potatoes per day for about 20 days so that we may have sufficient supplies for the months of June, July, August, September and October. We, therefore, have a good reserve.

[Reporter, interrupting] In the cold-storage houses, too....

[Castro, interrupting] In addition to what is being done. The banana plantations are growing and they are beginning to yield fruits. Tubers have yet to come in from other provinces. I believe that by the second half of next year, production will increase considerably, particularly the plantain production which has been turned into a main crop in view of its high yield capacity.

Now, in the spring program a total of 300 caballerias of boniato, 300 of yucca, and 225 of squash must be sowed. There are great plans ... [changes thought] The plantains are growing, that is, there will be more plantains during the second half than in the first half of the year.

By the second half of next year, Havana will be virtually self-sufficient, that is, under normal weather conditions, if there are no hurricanes. Nature must always be taken into account. Nature has not been too benevolent with us this year. The heat in January hit tomato plants very hard. It also hit potato plants very hard. But everything was sowed in time, particularly potatoes. We are studying how to reduce the tomato sowing period because in order to increase harvest, we also sowed during January and February. But all experts and scientists are convinced that with the varieties we have available, we must sow up to December at the most. The weather is such an unpredictible element. Although the weather in January is supposed to be cool, this year January was a hot month. This affected tomato plants, but we could rely on the reserve fields sowed in Pinar del Rio. The Pinar del Rio tomato reserve helped us because they were harvested before schedule. They have done quite well. But here, we specifically sowed tomatoes used for salads and over there, tomato for industrial production. We have a very good variety of tomato for industrial production because both the Rome variety and the 78/80 variety are very good. They taste very good and are good for manufacturing tomato paste....

[Reporter, interrupting] They are good for salads, too....

[Castro, interrupting] I like to eat them in salads. I think these tomatoes are of a very good quality.

Next year we are planning to sow 50 caballerias of (manaluz) tomatoes on stakes, as well as other varieties in order to increase the yield. We also have to see how to protect the plants. Our main enemies are the plagues, very strong plagues, along with a humid and hot climate.

The plagues increase when we have a hot and humid month. Therefore, we have to wage a strong battle against plagues.

I tell you that in Pinar del Rio, tomato plants are fumigated every three days. We have to fumigate the plants almost every three days under hot weather conditions. The month of February was a little bit better. In March, we even had some cold weather. We are not supposed to have any more cold weather from now on. There is not much prospect for the tomato plants sowed in February. It is useless to sow tomatoes in February.

We are trying to find new, more resistant varieties. But this is no easy task. Hundreds and hudrends of varieties from all over the world have been brought to Cuba. We are trying to find tomatoes that are resistant to heat and plagues; but we are also striving to achieve high-quality tomatoes and a high yield per hectare. A lot has been done on this and we have worked a great deal on this sector in Cuba. There is an institute called (?Liliana Dimitrova) that has been working on this for about 12 years [words indistinct] and this tomato is good and solid [passage indistinct]. This tomato is of excellent quality. It has a strong skin. It does not rot easily when ripe. You can see that it is not attacked by insects easily. This variety was produced here. There is another variety, the 38/78 variety, which is also being tested here. Many varieties have been produced.

We must also take into account that weather conditions have changed. These weather phenomena were not present in the sixties or the seventies but there were already observed in the eighties. Six out of the seven hottest years in the last 150 years were recorded in the eighties. The hottest year was recorded in 1990. We will see how 1991 rates when compared with the statistics but we are already experiencing weather changes....

[Reporter, interrupting] [Words indistinct] very hot.

[Castro interrupting] Experiencing the changes which may result from the greenhouse effect that scientists are discussing so much. This compels us to find new varieties by applying new biotechnological techniques, and find more resistant seeds through mutations.

As you can see, the opposite is true with plantains. Plantains are better off with more rain and hot weather. But potatoes, tomatoes and many other vegetables cannot endure this kind of weather. Therefore, we had to struggle a lot. This year we had a sufficient supply of cabbage because there was a biological control against plagues. This is why we had a sufficient supply of lettuce. Now, sufficient quantities of carrots are entering the markets. You cannot count these crops in the summer. During the summer you can only rely on eggplant, beans—there is a veriety that grows well in the summer—okra, cucumbers, herbs are also being sowed, they are already being sold in 50 food markets [words indistinct] caballerias, more will be sowed next year. We are going to take advantage [words indistinct] this year, because up to now no one really knows how much this capital consumes because all supplies are sold.

[Reporter] This also helps to promote the consumption of vegetables which are very healthy for us.

[Castro] These camps will become nutrition schools because each one of them will have their herb gardens. Many herbs.... [changes thought] Onions are also affected by heat. I forgot to tell you that [passage indistinct] particularly onions, potato. There is a fungi they call (alternaria) and when there is a cloudy day and there is a lot of fog in the morning, it grows extremely quickly. Sometimes this coincides with the southern winds. The southern winds blow very hard sometimes for three or four days. It happened this month. There were wind gusts of 110 km. So, what happens? This does not allow fumigation or irrigation because it blows the water away and you can hardly fumigate. So, if you get (alternaria) with southern winds for four or five days, you find yourself in a dead-end street.So, we are looking very closely at all these things this year. This year has not been good weatherwise. Nevertheless, we have and will have tubers and vegetables despite everything. The quotas were fulfilled....

[Reporter, interrupting] [Words indistinct].

[Castro] The most interesting thing is that this has happened with the participation of the people. The people also have a greater awareness of the efforts being made in the countryside; that the work is difficult. The people have worked harder than ever. These shifts of 8, 9, 10, and 11 hours were never worked before. They have had great yields. This group exceeded the quota by 67 percent. It has worked a lot. The people have taken it very seriously. This is why I say everything will depend on us.

[Reporter] A last question, Commander. It was published in GRANMA today that the possibility of the period of time for the military service be reduced to two years is being studied. Nevertheless, we continue to insist and we are aware that one of our current missions is to continue to defend ourselves and prepare for defense. How are these two ideas, these two goals compatible?

[Castro] I believe it was explained well in the note. The note explains a number of factors. Similar measures had been taken a long time ago. Time was reduced to many comrades.

[Reporter] With Order 19.

[Castro] Aside from the Order 19 for outstanding [servicemen]. This was also applied on those who had not been able to enter the univ rsity. They fulfilled their service and had meritorious service. It was a massive measure. It was reduced by one year. The person was given the opportunity to study for a year.... [changes thought] It was six or seven months at first but we did not believe it was enough time and a year of studies was

established so that they would not be at a disadvantage to being admitted. There were thousands and thousands, there should be some tens of thousands—I cannot tell you the exact figure—but many thousands of students who entered the military service to whom a year was reduced. They would not have had the right to enter the university, according to the formula used considering their grades.

Of course, they also have to take a test but they found their second chance to enter the university. Many thousands of students who are very good students who are.... [changes thought] We plan to maintain this. Of course, it would not be reduced by a year but we plan to maintain the incentive for students to fulfill their military service with merits and have a second chance to study. All these things had been done. In addition, there are other realities, there are other realities [repeats]. The number of.... [changes thought] The academic and technical level our students have today.... [changes thought] When we began, [words indistinct] many of the ones who came were illiterate. Some had completed first or second grade. Now they arrive after they have completed their 12th grade or are mid-level technicians. The level of training is very high.

There has been a very big change of concepts. The idea was present at the beginning but there were neither resources nor weapons. This was the concept of the war of all the peoples. It involves the entire nation and makes the entire nation an army. The war of all the people concept applied at the level and in the magnitude it is applied now is not the same as in the years the military service was established. Now there are millions of people. Everyone is a soldier, men and women. We are much stronger.

In addition, people are coming from Angola. We have some.... [changes thought] Over 50,000 men are returning. A certain number will come in the next few weeks. Defense has strengthened tremendously with all this. If, in addition to this, you also analyze the need for savings, which the Armed Forces are doing—of fuel and of everything—this is even more justified during the special period. There are reductions of, say, periods of time, reductions in the spending on transportation, foodstuffs, and clothing. Of course, all the measures taken by the Armed Forces are not included there. We have millions of weapons. We did not have them when.... [changes thought] We have large amounts of weapons. We have to keep them ready and we need to have the personnel prepared, well prepared, well trained. This is why this can be done now.

There is no contradiction. It is good. We are doing many other things that [words indistinct] we are working on the strengthening of the theater of operations. We are doing a lot. You have to look at all this. I do not want to talk too much so that we do not explain everything we are thinking, but we are doing other things that strengthen defense a lot, more than ever. Our defense, by simply having 20,000 more men.... [changes thought] We have an enormous number of people in reserve who have accumulated in all these years. So, what needs to be done is to look at the entire set of factors that determine defense, such as the psychological and morale factor. I believe that one of the missions of the Armed Forces at this time is to help the economy. They are helping with the Youth Labor Army [EJT].

Right now in Pinar del Rio, I came across some 2,000 soldiers of the Western Army who went there for three months. They are helping a lot in the picking of tomatoes that are arriving in Havana. You can see it everywhere in movements such as this one the people are conducting here. The EJT is making a very big effort—as I was telling you—very big. One of the tasks of the Armed Forces is to help the economy of the country during the special period. It is a very important one. It has a lot to do with the wishes of the Armed Forces to help the economy and reduce costs.

How can costs be reduced and be stronger? That is a science. You can spend a lot more and be weaker. The secret of our defense today is to be much stronger and spend less.

This is very good for the kids. It can be done. We are not in 1959 or 1960. How many reserves did we have in 1960, in 1961? When was the draft started? Was it in 1962? [Someone responds: 1962.] How much of a reserve did we have then? We had a lot of people from the streets, militia men, and all that but we did not have the organization and the amount of experience and reserves we have today.

Defense is not a matter of number and type of weapons alone, it is a matter of intelligence. This is the most important thing of all, the human factor, intelligence with which the defense is conceived, by knowing the enemy. We are not a bit surprised by the things imperialists are doing around there because we have known them by heart for a long time and we have been preparing ourselves for a long time precisely to face those things. We know by heart all those things about the cruise missiles and all that. None of that surprises us. We have prepared all our plans for a fight against that kind of enemy. Do you see? So it is not a matter....

[Reporter, interrupting] So, we are ready.

[Castro] I believe Marti said: More important than the number of weapons on hand is the number of stars on one's forehead. This is how the expression goes more or less. It is very clear, very clear, very clear [repeats]. Another time he said: A just thought from the bottom of a cave [rephrases] a just idea from the bottom of a cave is stronger than an army. This is what we are: Trenches of ideas are better than trenches of stone. We are a just idea. We are trenches of ideas. Our people and combatants are composed of millions of men and women who have many stars on their foreheads.

[Reporter] Thank you very much, Commander, for this interview.

Castro Addresses Antonio Maceo Contingent

FL2003172091 Havana Tele Rebelde Network in Spanish 1200 GMT 20 Mar 91

[Text] Commander in Chief Fidel Castro Ruz, first secretary of the Communist Party of Cuba [PCC] Central Committee and president of the Councils of State and Ministers, has attended the final emulation ceremony of the Antonio Maceo Contingent which supported the Guines municipality food program in Havana Province.

Also present at the ceremony were Army General Raul Castro, PCC second secretary and minister of the Revolutionary Armed Forces [Minfar], and other PCC, government, and high-ranking Minfar officials.

The Antonio Maceo Contingent is made up of FAR youths who, after fulfilling their duties for one month at the Paraiso Camp of the Union of Young Communists [UJC], decided to extend their duties for up to 45 days. [Words indistinct] 67 percent, the highest percentage that has ever been achieved by this recently established camp. Fidel and Raul handed out distinguished service certificates to 10 of these boys, while others were handed honor certificates.

[Begin Castro recording] I remember that I visited this camp when the first group was detached, and I see a lot of changes have been made. [Words indistinct] cadres have been in this camp, and it has become a prestigious institution at the provincial and national levels.

I believe that with your efforts you have honored the name of the Armed Forces. You are doing what must be done during this harsh and difficult period we are experiencing. You have shown that you are men and women of Baragua who do what must be done in view of the situation we are experiencing and because the revolution demands it.

The revolution has always demanded great effort, work, and sacrifices, but this time it is demanding more hard work than ever before. [end recording]

There was another happy event at the Paraiso camp: three couples were married in a peasant atmosphere filled with youthful spirit. Fidel, Raul, and the other leaders were witnesses at the wedding ceremony.

Castro's Address Broadcast

FL2003214891 Havana Tele Rebelde Network in Spanish 1130 GMT 20 Mar 91

[Speech by President Fidel Castro at awards ceremony for the Antonio Maceo Contingent in Guines municipality, Havana Province, date not given—recorded]

[Text] I know something about the activities at this camp because I have passed through this area two or three times. I have seen two or three other groups. I came here on the occasion of the visit by the Namibian president. Salmeron [not further identified] kidnapped me and brought me here. Even before, I had greeted a brigade that was working in the fields.

I think that one of the notable things—and not a single word has been said about it here—is that you have already completed the time you were going to spend here. They told me you would like to harvest the potatoes you had been weeding and planting, and you yourselves prolonged your working day. How many more days, Salmeron? [Answer indistinct] You prolonged your working day, not your working day [corrects himself], your stay here by almost two more weeks. It was already known that the results were very good. Then I think there was talk about some weddings as jokes here, and today they told me there will be some real weddings. The comrades in management invited me to participate in the weddings.

There is another event connected with the wedding, another anecdote that I cannot forget. It was the day you invited a group of internationalists to the reception hosted by the Namibian president. I arrived late. I was arguing that the wedding could not take place on the 20th, that I had a meeting on the 20th, and that I could not miss the meeting, and that was the way it had to be. I did not want to propose the wedding take place on 21 March so that your stay at the camp would be prolonged more. I said to Salmeron: No, the wedding can be on 19 March because it is not possible.... [changes thought] He said: No, no, no, it can be on the 20th. I almost proposed 25 March. [laughter] Well, if it has to be on 20 March it will be. We made a commitment for the 20th. One could see the spirit of commitment until the end in staying one more day. I said: At least a day less; the solution depends on not holding it on the 20th.

You have to understand that after the comrades have stayed here so many days, they would like pay a visit to their home, or to the unit, or to work. In addition, one had to consider those who were going to get married. What should we do? Extend it one more day? [Words indistinct] of the contingent. You created a contingent. Is that not so? What did you name the contingent? [People answer: Antonio Maceo Contingent] [Words indistinct] This is why we have held the wedding on the 19th.

I believe that with your efforts you have honored the name of the Armed Forces. You are doing what must be done at this time, during this harsh and difficult period we are experiencing. You have shown that you are men and women of Baragua who do what must be done in view of the situation we are experiencing and because the revolution demands it. The revolution has always demanded great effort, work, and sacrifices but this time it is demanding more hard work than ever before. We are proud to count on young people like you. [Words indistinct] we appreciate all this. A large number of comrades have gathered here. Comrade Raul [Castro] has come as well as Comrade [Juan] Almeida and Comrade [Roberto] Robaina. I saw Ulises [Rosales del Toro] around there. I think I saw Polito [not further identified]. [Raul Castro says: Polito is there, the chief of the political

direction (words indistinct).] I have seen a number of comrades.... [Raul Castro, interrupting, says: Carlos Lage]. Lage came with me; that is why I.... [laughter] [changes thought] The most prominent chiefs of the party and the Revolutionary Armed Forces are here. This small but symbolic ceremony means a lot.

You have also set the tone it should have had, happy and youthful. In addition, with the real wedding, very good children, very good heirs, very good dependents of the couples should come out of here. I imagine that the couples who got married are members of the contingent. [Speaker says: They already knew each other. They did not meet here.] Yes, but do not explain all this to me. [laughter] I am not asking you about this. So what if you had met each other here? Great, you had known each other before, came together, and ended up getting married. Excellent.

I was thinking about the genetic quality of the children that are going to result of this because if they inherit the work spirit of the father and mother, they will be capable of exceeding you. Nobody knows what man can achieve. Perhaps when the ones who come after you learn that you said you had the best results up to now, there may be others who will dedicate themselves so much that they will surpass you, even if the same circumstances are not present since you were able to extend your stay and you are more experienced. There was a comrade who said someone was being called the machine. [laughter] I said: A potato machine? They said: Of everything.

So, we join in your happiness and your success and congratulate you. I was thinking about what to give the brides and grooms. Some days ago a Korean delegation came here and they gave me a little bottle of the root of life [laughter]. They say that the root of life is a root that is very good, very healthy, which prolongs youth and life and I do not know what else. [laughter] I said: What people need on their wedding day is [words indistinct] [laughter] and I brought a little bottle of root of life. I recommend that you do not drink it all at one time on the first day. I wish you a lot of happiness, comrades. Socialism or death! Fatherland or death! We will win! [crowd joins in the slogan] [applause]

Soviet Official Calls Soviet-Cuban Model Obsolete

PA2003205091 Mexico City NOTIMEX in Spanish 1814 GMT 19 Mar 91

[Text] Mexico City, 19 Mar (NOTIMEX)—The Soviet-Cuban political model, as it has existed over the past 30 years, is obsolete because Cuba's strategic, geopolitical, and ideological importance is in crisis, Vladimir Sudarev has stated. In this context, he noted: "The USSR cannot continue to maintain Cuba. However, Soviet authorities admit that this Caribbean country would suffer destabilization if financial assistance is cut off."

During his participation in the conference "Changes in the Soviet Union and International Policy," which was organized by the Autonomous Metropolitan University, Sudarev explained that socialist countries have demonstrated that it is impossible to jump from totalitarianism directly to democracy. Sudarev, a member of the USSR Academy of Science, believes that the Soviet Union will require a long period of transition—probably several decades—to achieve a representative and mixed economic system.

He warned: "The process for achieving a market economy must be controlled by a state that designs a foreign policy in tune with the changes in and the balance between the superpowers."

Concluding, he mentioned a few measures that have been adopted by the USSR, such as the military withdrawal from Eastern Europe, which, although necessary, meant a weakening of the Soviet presence internationally, and the Persian Gulf crisis made this process evident." [quotation marks as received]

Nicaraguan Support of UN Rights Resolution Noted

FL2103031091 Havana Radio Rebelde Network in Spanish 0000 GMT 21 Mar 91

[Text] EL NUEVO DIARIO characterized today as submissive the position taken by the Nicaraguan Government for supporting the U.S. maneuver against Cuba on the sessions of the UN 47th Human Rights Commission. The newspaper pointed out that the official Nicaraguan delegate, in spite of his observer status, supported the U.S. resolution that would imply the presence of a UN commission in Cuba to examine alleged human right abuses.

Dr. Vilma Nunez, from the Nicaraguan Center for Human Rights and chairwoman of the Central American Commission, explained that many international organizations could not understand the position of the Nicaraguan delegate, especially since Nicaragua is still receiving economic assistance from Cuba in spite of Cuba's economic difficulties.

The Nicaraguan Government has the right to follow the line it chooses but this was obvious U.S. manipulation, commented the official who attended the UN meeting.

Persons Tried for Embezzlement, Theft Sentenced

PA2003040591 Havana Tele Rebelde and Cuba Vision Networks in Spanish 0100 GMT 10 Mar 91

[Text] A trial for embezzlement, several counts of theft, and forging of documents was held in Cienfuegos Province. Some 28 persons were brought before the penal courtroom of the Provincial Tribunal of Cienfuegos charged with embezzlement, several counts of theft, and the forging of documents which were used to distribute among the population equipment whose use and consumption are subject to regulation.

The principal offenders, a warehouse manager and two employees of the La Llave Hardware shop in the Aguado de Pasajeros municipality, sold bonds which had already

been used to acquire electrical equipment for domestic use, after altering the aforementioned documents or by writing inexact data on the bonds. In their wrongdoings, each of the persons had the help of a mediator. The investigations of the case determined that 25 refrigerators, two air-conditioning units, and one fan were sold in this fraudulent manner, leaving for the accused a personal profit estimated between 2,000 and 4,000 pesos. The other persons stood before the court for knowingly making use of a forged document to acquire property illegally.

In his allegation, the state prosecutor proved how the corruption of a group of employees and their mediators caused many persons to be deprived of buying articles which they had won honestly, but which were sold to other persons illegally. This also placed an economic burden on the state which had to take charge of replacing the aforementioned equipment. The social repercussion of the wrongdoings and the opinion that they generated caused this trial to be held in the municipality where so many persons were affected by the wrongdoers.

The tribunal ruled that Damaso Alvarez Mejia, warehouse manager, serve six years in prison and Nora Leon Castellano and Aurora Fabelo Telles, warehouse employees, serve three years and six months. The court ordered the confiscation of all the property acquired by the accused with the money obtained from their criminal operations. For the mediators, the penalties ranged from two to three years in prison. Those who were found to have knowingly made use of the forged bonds to buy the aforementioned property were fined to pay 150-peso quotas, and the equipment which they acquired in that manner was confiscated. Ten of the accused were acquitted for insufficient evidence. After the ruling was handed down, the accused will be served notice of the sentence. They have five days to submit an appeal to a higher court.

Escalona Meets With Uruguayan Health Delegation

FL1903131091 Havana Tele Rebelde and Cuba Vision Networks in Spanish 0100 GMT 19 Mar 91

[Text] The Uruguayan delegation that participated in the Primary Health Care conference has remained in Cuba at the invitation of the National Assembly of the People's Government [ANPP]. ANPP President Juan Escalona met today with the delegation from Uruguay. In their talk, Dr. (Tavare Caputi), president of the Hygiene Commission of the Uruguayan legislature, and the members of the delegation he heads heard not only about the history of the Cuban revolution but also about the basic programs currently being carried out, including the food program, the tourism program, the program for pharmaceuticals based on biotechnology, and especially the people's participation in the various activities sponsored and directed by the Cuban Government and the Communist Party of Cuba.

[Begin (Caputi) recording] We thank you for this invitation. It is not only a very great honor for us as members of the legislature but also as Uruguayans, citizens of a small South American country. Our country, in spite of its small size, has felt, feels, and will continue to feel deeply about matters we have in common, that are very much ours, that are very Latin American, and in which Cuba has played a very important, very significant role. [end recording]

During the meeting, the visiting delegation received as souvenirs of their stay in Cuba coins commemorating the anniversary of the ANPP. In turn, the Uruguayan delegation presented as a gift from the Uruguayan people an oxcart mounted on stone from the northern region of Artiga, and as Dr. (Tavare Caputi) said, it is a symbol of the effort by all Latin Americans to build a better nation.

Minister Meets Delegation

FL2003151091 Havana Radio Rebelde Network in Spanish 1255 GMT 20 Mar 91

[Text] Cuban Health Minister Julio Teja and a Uruguayan Congress delegation, made up of members of the Hygiene Committee of the Chamber of Deputies, headed by Dr. Tabare Caputi, have held a meeting during which they discussed eventual joint undertakings in the health sector.

After expressing satisfaction with his visit to Cuba and for Cuban achievements and development, Tabare Caputi stressed the need to achieve Latin American integration. Regarding Cuba, Caputi stressed the need for the exchange of information and the proper exploitation of the existing health structures.

During the friendly meeting, the officials reasserted the need to exchange technological know-how and health specialists.

Health Minister Meets With Zambian Counterpart

FL2003224591 Havana Radio Reloj Network in Spanish 2034 GMT 20 Mar 91

[Text] A delegation from the Republic of Zambia, headed by Zambian Health Minister Dr. J.P. Chijikwa, has expressed to Julio Teja, head of the Minsap [Ministry of Public Health], its appreciation for Cuba's medical assistance. During a meeting held in Havana with Teja, and other Minrex [Ministry of Foreign Relations] and public health officials, the Zambian minister relayed greetings from Zambian President Kenneth Kaunda to Commander in Chief Fidel Castro.

Dr. Chijikwa praised Cuba's medical assistance to Zambia and other countries on the African continent as well as Cuba's assistance in the liberation of the Angolan people. Dr. Teja gave him a brief overview of the Cuban national health system. During his stay in Cuba, the Zambian minister, in the company of (O.G. Bola), deputy director of medical assistance services, will conduct an extensive program of visits, including the Ameijeiras Brothers Clinical Surgical Hospital.

Austrian Union Leaders Tour Cardenas Area

FL2103005391 Havana Radio Reloj Network in Spanish 2051 GMT 20 Mar 91

[Text] Austrian union leaders, part of a group of Austrian activists visiting Varadero, have held talks with their Cuban counterparts as a sign of the desire to strengthen friendship ties between the two countries. The 15-member group, interested in a deeper knowledge of the Cuban reality, toured sections of the (Jose Mis Coma) sugar mill, a family doctor's office, and the Jose Antonio Echeverria sugar enterprise, all in the municipality of Cardenas.

The Austrian visitors had first been in Cuba in 1990, when they visited Holguin, met with union leaders of that province, and sponsored the trip of three of them to Austria. (Bruno Saez), coordinator of the group, said that they intend, among other things, to contribute to the disclosure in Europe of the progress obtained by Cuba.

* Production of Pharmaceutical Containers Ensured

91P40186B

[Editorial Report] Havana TRABAJADORES in Spanish of 2 February 1991 on page 3 reports that the producers of glass containers will have no difficulty in supplying the pharmaceutical industry with the 37 million units required in the first quarter of the year. According to the article, baby bottles will not be manufactured in the first quarter because the factory in Las Tunas responsible for their production can only make amber bottles, a color which does not meet Public Health standards. The article further reports that interrupted deliveries of carbonate, an essential raw material in the production of glass, are also hampering the industry.

* Decrease in Job-Related Deaths Reported

91P40186A

[Editorial Report] Havana TRABAJADORES in Spanish of 9 February 1991 on page 3 reports that Manuel Fernandez, director of Protection and Hygiene of the State Committee for Labor and Social Security, announced that in 1990 there were 58 fewer work-related deaths than in 1989. He indicated that the total number of 305 deaths was the lowest figure in the past seven years. The rate of 8.3 fatal accidents per 100,000 workers ranks Cuba with developed countries, where the rate is 7.5 per 100,000. The article further reports that the components which performed well in terms of fewer job-related fatalities are: the Ministry of Transportation, the People's Government, and the Steelworking Industry, while the Ministry of Construction fared worse with an increase of 16 fatalities over previous years. The numerous accidents which occurred during construction projects in Varadero contributed to this increase.

Antigua and Barbuda

Honesty, Solution to Political Crisis Sought

Groups Demonstrate for Solution

FL2003144591 Bridgetown CANA in English 1152 GMT 20 Mar 91

[Excerpt] St. John's, Antigua, March 20, CANA—[Passage omitted] Some associations have formed a national council of organisations [NCO] to organise a "freedom from corruption day" demonstration this Saturday, [including] the NCO groups, the Antigua Christian Council, the Antigua Chamber of Commerce, the Vendors Association, the Small Business Association, the Bus Service Association, the Concerned Citizens Association and the Antigua Hotel Association.

The business sector, meanwhile, has been pressing for a solution to the political crisis. At a joint meeting of the boards of the Antigua Chamber of Commerce and Industry, the Hotels Association, and the Employers Federation this week, a unanimous resolution was passed. It requested "that there be an immediate return to the professional handling of government business, and a cessation of the present evident hostility among existing government ministers."

The groups, complaining of "the confusion into which the present political situation has plunged the country," urged Parliament "to take steps to speedily resolve the issue so that some form of normalcy can be restored. These measures are being recommended because as businessmen we feel that a continuance of the present climate can only cause untold damage to the economy of Antigua and Barbuda," the groups said.

Resignation of Ministers Wanted

FL2003150791 Bridgetown CANA in English 1152 GMT 20 Mar 91

[Excerpt] St. John's, Antigua, March 20, CANA—Several persons taking part in [a] demonstration are expected to call for the resignation of Prime Minister Bird as well as Agriculture Minister Hilroy Humphreys and Public Utilities Minister Robin Yearwood. Yearwood and Humphreys have been accused of signing unauthorised promissory notes.

After an investigation, a U.S.-based law firm—Washington, Perito and Dubuc—recommeded criminal proceedings against Humphreys for his alleged involvement with former Israeli businessman Maurice Safarti, one of the central figures in an arms trans-shipment scandal here. Humphreys has denied signing the promissory notes which were made out in Safarti's name.

Organisers of the demonstration say they will also be calling for the removal from Parliament of Former Works Minister Vere Bird, Jr., a son of the prime minister. Bird, Jr. has been banned from holding public office for life on the recommendation of British jurist

Louis Blom-Cooper, who carried out a probe in the arms scadal. The demonstrators will also be pressing for full implementation of the Blom-Cooper report and the appointment of an ombudsman in accordance with the Constitution. [passage omitted]

Ministers Resign 20 Mar

FL2003170691 Bridgetown CANA in English 1427 GMT 20 Mar 91

[By Colin James]

[Text] St. John's, Antigua, March 20, CANA—Three Antigua and Barbuda Government ministers tendered their resignations Wednesday. A spokesman for the group, Hugh Marshall, said he had presented his resignation letter and that of former Deputy Prime Minister Lester Bird to governor general, Sir Wilfred Jacobs, Wednesday morning. The third minister, Hendy Simon, also handed in his letter of resignation, Marshall reported.

Marshall was named Caribbean affairs minister in a cabinet reshuffle announced last Friday. Bird was switched from the Foreign Affairs, Economic Development and Tourism Ministry of Finance. Simon remained junior minister in the Ministry of Economic Development and Tourism.

The three, last weekend, threatened to resign over differences with the prime minister, Vere Bird, Sr. They were part of a group of seven rebel parliamentarians calling on the elderly prime minister to step down, making way for his son, Lester. The rebel group had been negotiating, through Sir Wilfred, a deal to remain in government.

But Marshall told CANA: "We have become frustrated with the breakdown in negotiations, and we feel that no meaningful attempts were made to address the fundamental issue within the government and the Antigua Labour Party. Of which we are still members."

The handing in of the resignation letters climaxed a long-running internal battle in the ruling Antigua Labour Party. The party has been divided on the issue of who should replace Bird, Sr. The prime minister's sons, Vere, Jr. and Lester, are among [the] frontrunners for the position.

The party and government have had other problems—an arms scandal, and claims that ministers signed promissory notes for millions of dollars without government approval. Vere Bird, Jr. was described by investigators as the man who had sanctioned an illegal shipment of Israeli arms through St. John's in 1989. The arms ended up in the hands of Colombian drug dealers.

The rebel group had complained about the prime minister's brief budget presentation March 7. It also said Bird, Sr. had ignored recommendations for restructuring the government.

Dominican Republic

Liberation Party Requests Bosh Not To Resign

FL1903171591 Santo Domingo Radio-Television Dominicana Radio Network in Spanish 1600 GMT 19 Mar 91

[Text] Dominican Liberation Party [PLD] Central Committee members and mid-level leaders have requested PLD Leader Juan Bosch to withdraw his resignation, but he has not yet answered. Meanwhile, PLD headquarters continues to be occupied by party militants who are blocking the entrance of PLD Central Committee members.

Moreover, (Onofre Botello), president of the Chamber of Deputies and a PLD Central Committee member, has stated that Bosch's resignation is a farce staged by a group that was left with minority support after the PLD Fourth Party Congress.

On 16 March, the PLD Central Committee, its ruling body, held a meeting during which it approved several resolutions rejecting Bosch's resignation and requesting his return to the party.

* Rights Group: 'Inhuman' Treatment of Haitians

91CA0079A Santo Domingo EL SIGLO in Spanish 11 Feb 91 p 7-D

[Article by Miguel Reinoso Solis]

[Text] The Dominican Human Rights Committee and the Dominican branch of the American Association of Jurists have endorsed the U.S. State Department's report on human rights violations of Haitian laborers in the Dominican Republic.

Servando Hernandez and Roberto Gaston, chairs of the Human Rights Committee and of the American Jurists subcommittee, respectively, said that for some time religious institutions and human rights groups have been reporting the Dominican authorities' inhuman treatment of Haitian laborers.

They indicated that the State Department report is limited, as it does not include violations of the International Agreement on Civil and Political Rights.

They reported that in the border community of Malpaso, the Dominican military and CEA [State Sugar Council] officials, directed by Zacarias de la Cruz, use the services of people called "ambafiles" to recruit Haitians from the border area.

The "ambafiles" recruit Haitians from across the border, promising them they will receive good treatment, housing, and good payment in dollars, but as soon as they have crossed the border they are arrested and locked up in the local prison. Then they are brought by force in trucks and in other vehicles to the sugar mills in the dead of night.

In the joint press conference held in the ADOMA [Dominican Bar Association] offices, they added that proof of this is the death of over 50 Haitians in January 1989, when the truck in which they were being transported in the dead of night had an accident near Villa Altagracia.

The two groups believe this report is objective and specific concerning the inhuman treatment given the Haitian laborers.

In addition to Gaston and Hernandez, also participating in the joint statement were Marcelino de la Cruz, Leovigildo Liranzo, and Porfirio Piantini from the Human Rights Committee; and German Miranda Villalona, from the Dominican branch of the American Association of Jurists.

* Reportage, Comments on 1991 National Budget

* 10.25 Billion Peso Budget

91CA0072A Santo Domingo LISTIN DIARIO in Spanish 29 Dec 90 pp 1, 15

[Text] The CND [National Development Council], headed by President Joaquin Balaguer, yesterday approved a budget of RD 10,250,530,165 pesos for 1991.

The budget was approved during a 40-minute session held in the Government Council Chambers. The secretaries of state and directors of state organizations took part in the meeting.

The budget currently in effect amounts to 6.5 billion pesos; therefore, the budget approved yesterday is 3,850,530,165 pesos higher.

According to a document released by the National Budget Office, the budget bill conforms with President Balaguer's internal austerity and savings policy.

In the budget approved yesterday, the government gave top priority to energy, agriculture, and education.

The CDE [Dominican Electricity Corporation] was allocated 1.493 billion. This is 1,271.9 pesos more than last year.

For agriculture, 1.7647 billion pesos were allocated. For payments on the public debt, 1.5726 billion were allocated; for health; 1.2048 billion; and for education, RD 911 million pesos.

The budget allocates the department of the presidency 343.1 million; interior and police, 338.7 million; the armed forces, 755.9 million; and congress, 31.5 million.

The department of foreign relations was allocated 78.4 million; finance, 980.9 million; education, 868.7 million; sports, 37.2 million; labor, 11.9 million; and public works, 350.4 million pesos.

The department of industry and commerce, RD 423 million; tourism, 24.1 million; the attorney general's office, 32.5 million; the judiciary, 47 million; the central elections board, 27.1 million; and the accounting and audits department, 2.8 million.

The Civilian and Military Pensions Fund was allocated 184 million pesos; liquid gas subsidies, 153 million; local governments, 93.3 million pesos.

In addition, the Autonomous University of Santo Domingo was allocated 88.2 million; 76 million was provided for subsidies, including subsidies for private universities; and the Dominican Agrarian Institute was allocated 53.2 million.

* Comparison With 1990 Budget

91CA0072B Santo Domingo LISTIN DIARIO in Spanish 9 Jan 91 p 1-D

[Text] The Senate committee which studied the government revenue and expenditures bill for 1991, prepared by the executive, believes that the purchasing power of public spending will be significantly reduced.

The committee maintains that the reduction in purchasing power is due to the fact that the budget calls for an increase of barely 22 percent over last year, while inflation has exceeded 80 percent.

The committee was chaired by engineer Ramon Alburquerque; its members were Jacinto Peynado and Winston Guerrero.

The complete text of their report follows.

Total public revenues collected in 1990 came to RD 8.069 billion, including RD 842 million from the exchange commission on imports, and RD 660 million as Falconbridge payments. The latter item was not included in the revenue budget sent to the National Congress, but was placed in a special account in dollars handled directly by the President of the Dominican Republic.

Outside of the Falconbridge payments, the budgeted revenues in 1990 amounted to RD 520 million [sic]. However, the same item in the 1991 budget listed only RD 7.940 billion. As we can see, the 1991 budget plans for only a 22 percent increase in relation to last year's budget.

The purchasing power of public spending for 1991 will obviously be sharply reduced, for government statistics report a cumulative inflation rate of over 80 percent in 1990. This will strongly affect the cost of goods and services in 1991.

Moreover, the existence of the exchange commission and the placing of the Falconbridge payments off-budget reveal that the government is resorting to some ad hoc tax mechanisms of questionable legality.

The special account in dollars totally at the discretion of the presidency meant that in 1990 the presidency had the use, without any controls whatsoever, of over US $3 million, that is, over 1.243 billion pesos.

This account includes: Falconbridge payments, consular fees, the airport commission, tourism cards, games of chance payments, mineral deposits, the Cruz de Manzanillo project, and other smaller components. It may be assumed that in 1991 this account will have larger resources than were collected in 1990. Resources from this account only pass through the Central Bank at the time they are used.

As many national analysts expressed their opinion that the 1991 budget would be structured in accordance with the imminent IMF agreement, it is worth noting that the charts covering the document's external budget resources for 1991 did not include the eventual external revenues for this item. The only funds listed were those from Italy, since the payment of these funds is not related to the joint commitments clause, derived from the memorandum signed by the Dominican Republic with the Club of Paris in 1985.

External revenues come to RD 2.311 billion. Still, it will be hard to use these funds because of the arrears that the Dominican state will have to pay immediately to the IDB [Inter-American Development Bank], the World Bank, institutions in Japan, AID, and others. Similarly, there are greater problems in the case of the Venezuelan Investment Fund, since the Central Bank must have on hand a sufficient amount in dollars so that authorization may be sought from Venezuela to release the funds.

It is important to note that in 1990 the government barely managed to execute RD 220 million of a budgeted total of RD 1.691 billion. That is, with great difficulty it mobilized 13 percent of what had been planned.

As may be expected, if the efficiency of the Dominican state apparatus behaves in like manner this year, it would be hard to receive more than RD 220 million in payments from external resources in 1991. Therefore, we may conclude that the external resources budget was intentionally estimated high, so that the president of the Dominican Republic could have the counterpart funds available to be charged to internal resources in a discretionary manner.

The most striking feature of this point is the capital expenditures estimate, which lists the real investment for 1991 as RD 358. In contrast, in 1990 during the January-October period RD 2.675 billion were executed. This contradiction arises from the fact that for the present administration, the national budget is only a political tool, rather than a clear and rational systematization of public spending.

For the department of agriculture, RD 1.567 billion was budgeted in 1990. For 1991, this department has been allocated RD 1.738 billion, an apparent increase of 171 million pesos. However, in 1990 the department of agriculture spent only 277 million pesos for internal costs and for the promotion of agricultural production. This item also includes the payment for the INDRHI [National Institute of Water Resources], which is earmarked almost entirely for the construction of the Jiguey and Aguacate dams. We may conclude by saying that the agricultural sector will not have the resources needed to stimulate production and stop the shortages and high prices of basic food products.

In 1990, public health received approximately 90 million pesos less than what was budgeted.

According to the budget document, public health was supposed to receive approximately 649 million pesos. For 1991, the health and social assistance sector is to have RD 1.208 billion. Nevertheless, when we consider the 30 percent salary increase at the end of 1990, and the increase in fuel prices and the cost of vehicles, in the costs of expendable materials and medications, it is clear that the substantial increase listed in the budget might well prove to be inadequate. In any event, only at the end of 1991 will it be possible to determine whether the sector actually received what was listed in its spending item, since it is a tradition on the part of Dr. Balaguer to transfer revenues intended for other budget items to the presidency's budget.

For education and fine arts, there is a 61 percent increase over the 1990 budget. For 1991, RD 869 million pesos are listed. But the fact that the department of education, fine arts and public worship has over 32,000 teachers on the payroll, who received a 30 percent salary increase at the end of 1990, suggests that the budget increase would be basically used up in personnel costs. Another factor of considerable importance for this item is current payments that amount to 126 million pesos. At the present time, teachers receive only 555 pesos per work shift, which explains the abject poverty in which our teachers live. A salary increase to just 1000 pesos per shift would mean a budget increase of nearly 400 million pesos, which is much higher than the increase in the education budget.

The office of the presidency absorbed the impressive sum of RD 4.582 billion in 1990. This means that of a total of RD 8.069 billion spent by the entire government, the presidency managed to absorb 55 percent.

Finally, we should mention that there is a risk of tradition repeating itself, with Dr. Balaguer concentrating public spending in his own hands. This keeps public health, education and agriculture from receiving their budget allocations, no matter how inadequate they may actually be to meet reasonable demands for improved services.

In terms of revenue estimates, we can say that, as the president's rule of behavior has been in the past, real revenues for 1991 will greatly exceed the estimates given in this year's budget. A simple glance at the following reasons indicates this to be true.

a) In 1991 the exchange commission will generate much greater revenues due to the exchange unification for calculating the ad-valorem, and the rising trend seen in the exchange rate.

b) The signing of a financial agreement with the IMF will release fresh resources that will increase revenues. The debt might also be renegotiated, giving the nation an extended grace period, and decreasing the amount needed to cover debt service.

c) Ferronickel prices are expected to rise, and this will increase the Falconbridge revenues.

* ONAPLAN Reviews Budget

91CA0072C Santo Domingo LISTIN DIARIO in Spanish 11 Jan 91 p 1-D

[Text] This year's budget is not designed to stimulate economic activities, but rather to maintain the current rate, says a report prepared by ONAPLAN [National Planning Office].

The report, released yesterday by ONAPLAN's director, Miguel Sang Ben, also analyzes the execution of last year's budget.

The text of this report follows.

According to the 1991 budget, the central government will take in RD 10.2505 billion pesos. This includes both internal revenues, which amount to a total of RD 7.939 billion, or 77 percent, and external resources of RD 2.3107 billion, 23 percent of the total.

On the subject of internal resources, ordinary revenues, that is, current revenues amount to RD 7.844 billion, contributing a larger proportion because of the behavior of tax revenues with a value of RD 7.442 billion, representing 95 percent of ordinary revenues. Nontax revenues provide 402.2 million, or 5 percent of current revenues.

The effort made by the appropriate authorities (or by the Central Government) to finance development with internal resources should be mentioned. Of the total amount to be collected (shown in the first paragraph), a significant percentage comes from internal sources.

The Central Government spending budgeted for 1991 lists RD 10.2505 billion in nominal terms. This exceeds the 1990 budget by RD 3.7305 billion.

Of the total budgeted for 1991, 77 percent is from national resources and the remaining 23 percent from external resources; the sum of RD 5.3237 billion is intended for current spending. Of this amount, 64.2 percent is to cover operating costs, while RD 4.9273 billion has been allocated for capital spending. Of this, the largest share is for capital payments, in the amount of RD 1.59904 billion.

In real terms, the spending budgeted for 1991 represents the sum of RD 5.5673 billion which, compared with what was budgeted in 1990, is a decrease of 952.7 million pesos. In relative terms, this is a 14.6 percent reduction in relation to the 1990 budget.

On an institutional level, the spending budget in real terms for 1991 shows cutbacks in almost all Central Government institutions. Of 18 institutions which are part of the Central Government, three have positive funding allocations. The presidency is to get the real sum of RD 332.9 million. Compared with 1990, this is a 6.8 percent increase. Finance and public health are to have 3.2 percent and 1.1 percent increases, respectively. Some of the institutions with the largest spending cuts are: the Central Elections Board, 55.5 percent; agriculture, 40 percent; and labor, 33.7 percent.

Moreover, in relation to the functional classification of public spending budgeted in real terms for 1991, the largest share is for economic and social services, with 40.24 percent and 26.23 percent, respectively.

Within economic services, the largest share is allocated for energy, RD 815.61 million. This is 265.4 percent in relation to 1990. Irrigation is to get 485.31 million, 43 percent less than 1990, and agriculture and fishing, RD 472.14 million, a 23 percent reduction in relation to 1990. For social services, the largest allocation in real terms is for health, with RD 654.36 million, a 7.61 percent increase from 1990; education, RD 494.79 million, is down 14.7 percent from 1990; and social assistance, with RD 124.92 million, is a 35.2 percent decline from the amount allocated in 1990.

Up until November 1990, revenues of RD 6.3936 billion had been received. Of these, 96.5 percent, or RD 6.17291 billion, came from internal payments, and 3.5 percent, RD 220.6 million, were derived from external resources.

The total spending during this period came to RD 6.4235 billion, including spending financed from external resources, representing 4 percent, or RD 251.6 million.

Of the internal resources used, special funds of RD 3.8368 billion financed 62.2 percent of activities, with the general fund financing the remaining 37.8 percent.

A substantial change was observed in funding government spending, since the use of internal resources of RD 4.8294 billion pesos had been budgeted, while in the execution through November, RD 6.1719 billion pesos were used. And on the contrary, external resources of RD 1.6906 billion were budgeted, but only RD 251.6 million were used during this period.

The 1991 budget is not intended to stimulate economic activity, but instead to maintain the current rate of economic activity and attack some serious problems such as the energy supply, helping to normalize production systems. This can be confirmed by comparing the budget allocations for 1991, which in real terms are 14.6

percent below those for 1990. This shows that the budget will not fuel the inflationary process.

The budget is funded primarily by internal resources (77 percent). This is important, as financing with external resources has proven not to be a secure source; an example, of RD 1.690 billion budgeted in 1990, only RD 251.6 million had been used through November. This is essentially linked to the lack of national counterpart funding for project execution. The proportion of capital costs to be financed with external resources in 1991 is 45.2 percent, slightly less than in 1990, when this proportion was 52.7 percent.

The budget's impact on the economy will be affected by various factors: the first of these is the declining allocations in real terms for major services such as agriculture, irrigation, industry, and tourism.

The second important factor is related to the current economic crisis. This is reflected in the declining production of major agricultural commodities, with the consequent shortages for the nation, plus the continued price rises which have been accelerated by the adjustment measures the government implemented starting in August 1990.

The crisis now gripping the Dominican Republic has led the government to negotiate aid from the IMF. An eventual agreement will have a direct impact on the budget execution, since the IMF will demand greater discipline on the part of the nation, requiring an overall balanced budget.

The IMF requirements will be partly aimed at reducing public spending. Combined with the inflationary impact of inflation, this will reduce still further the budget's ability to finance development.

The government estimated that it would receive tax revenues of RD 6.520 billion in 1990. This was RD 1.549 billion less than the real value of tax collections, RD 8.0691 billion. The Economy and Development Foundation came very close in its estimate, when on 6 January 1990 in its "Sabado Economico" newsletter no 114, it estimated that tax revenues would come to RD 8.5250 billion. This estimate surpassed real revenues by RD 455.9 million, a 5.6 percent error rate. Other economic research groups also estimated tax revenues. One of them estimated tax revenues at RD 10.603 billion, exceeding real revenues by RD 2.5339. This is equivalent to a 31.4 percent error rate.

Comparison of Funding Allocated by Institution in the 1990 Budget and the 1991 Proposed Budget (in Millions of RD)

Institutions	1990	1991	1991*	Growth Rates: 1991*/1990
National Congress	18.7	31.5	17.1	(8.5)
The Presidency	311.6	612.9	332.9	6.8
Interior and Police	399.1	540.1	293.3	(26.5)
Armed Forces	441.5	755.9	410.5	(7.0)
Foreign Relations	46.9	78.4	42.6	(9.2)
Finance	1,848.7	3,513.3	1,908.2	3.2
Education	540.3	871.1	473.1	(12.4)
Public Health	649.3	1,208.3	656.3	1.1
Sports	40.2	57.6	31.3	(22.2)
Labor	9.8	11.9	6.5	(34.0)
Agriculture	1,567.5	1,732.4	940.9	(40.0)
Public Works	515.0	678.9	368.7	(28.4)
Industry and Trade	16.4	23.6	12.8	(21.8)
Tourism	10.3	24.1	13.1	(28.5)
Attorney General's Office	23.6	32.5	17.7	(25.2)
Judiciary	30.3	48.1	26.1	(31.8)
Central Elections Board	33.0	27.1	14.7	(55.4)
Accounting and Audits Department	1.8	2.8	1.5	(15.5)
Total	6,520.0	10,250.5	5,567.3	(14.6)

Note *: Adjusted with an 84.12 percent inflation rate for 1990.

Source: Prepared by the National Accounting Division, ONAPLAN, based on information from the National Budget Office.

* Priorities: Energy, Health

91CA0072D Santo Domingo EL CARIBE in Spanish 29 Dec 90 p 5 [Text] The technical secretary of the office of the presidency yesterday said that in preparing the national budget, five sectors were given top priority. These sectors are: energy, health, education, water resources infrastructure, and agriculture.

Roberto Martinez Villanueva made this statement in a speech he read at the meeting of the National Development Council attended by President Joaquin Balaguer yesterday morning at the National Palace.

He said that the energy sector will receive the biggest budget allocation for 1991; it will be RD 1.5017 billion, which is 14.7 percent of the total.

The health sector will receive RD 1.2048 billion, 11.7 percent of the total budget; education will get RD 911 million, 8.94 percent; water resources infrastructure, RD 895.4 million, or 8.7 percent; and agriculture, RD 869.3 million, which is 8.5 percent.

Martinez Villanueva said that if we add these items together "we easily see that, based on our need to increase agricultural production, to solve energy problems and increase state social attention, especially to provide better public education and higher levels of health services coverage, we are concentrating 52.5 percent of all the treasury's available resources."

He noted that public spending priorities have been classified either as state investment, or as current spending (salaries).

"To better inform the nation, especially those who express a strong interest which is not always confined to the purely technical area of budget work, but who mistakenly invade the partisan political arena, I must briefly discuss the national and international context which has shaped the budget planning process," he remarked.

Martinez Villanueva said that the Dominican Republic's economy must continue to focus on its modernization process, sustained by fiscal, monetary, market and public administration programs, some of which were proposed by the government during the year now ending.

He explained: "Briefly, this is a mission which can not be delayed. President Balaguer has undertaken it with strong patriotic fervor, in order to reform behaviors and habits which are not acceptable in today's worldwide interrelated economic environment."

He discussed the tax reforms. These reforms consist essentially of changes in the tariff structure, which have already been presented to the nation, and the income tax reform. There is also another reform related to internal taxes, which is to be combined with the simplification, modernization and training of the treasury's bureaucracy. This reform is being given preference on the presidential agenda for 1991.

He said that in terms of the monetary policy to be followed, emphasis is being placed on the absolute need to preserve fiscal equilibrium and control over the money supply.

"In harmony with these principles, we have reduced inefficient or distorted subsidies and clarified those which remain. We have also established the economy's price and tariff levels in determining costs for the government itself. All this is being done with the deliberate aim of seeking to reduce inflation levels," he said.

He explained that "another high-priority factor in dealing with the budget is the issue of public investment, from the viewpoint of completing major energy, water resources, communications, and construction projects, and rehabilitating other public services."

The official said that the Balaguer administration is operating with the future-oriented conviction that upgrading our national physical plant is the basis for the stable development of our resources.

"Without investing in areas which can only be handled by the state, it will not be possible to look upon our future positively," he noted.

Secretary of Finance Dr. Licelot Marie de Barrios, said that the total amount of internal tax revenues collected in 1990 was RD 4.8294 billion.

She also reported that an estimated RD 7.9398 billion will be collected in internal taxes in 1991. "This is a 64.4 percent increase."

* Budget Practices Criticized

91CA0072E Santo Domingo EL SIGLO in Spanish 4 Jan 91 p 3-D

[Article by Victor Manuel Tejada]

[Text] According to economist Isidoro Santana, the budget bill which the administration has sent to Congress reproduces all the practices which have been followed for many years, with the intention of getting "a piece of paper" passed, which will not be applied in practice.

The administration has again resorted to the practice of proposing a very high amount of external resources, he said, and allocating very high funding for several departments, although it has no intention of actually providing this level of funding.

He said that in the first place, the administration is assuming that this year it will have internal resources of slightly less than RD 8 billion, when already [in 1990] internal revenues have exceeded that sum.

He said that in this evaluation the government has failed to include a series of resources which all together make up about 1 billion pesos. These funds come from a special account in dollars in which resources received from Falconbridge, from tourist cards, consular fees, and the airport commission are deposited.

He maintained that some revenues which the government will receive for measures which have already been

adopted, including the tariff reform and the fuel price differentials, have also been undervalued.

He estimated that in the worst case scenario, this year the government should receive internal resources in the vicinity of RD 11.5 or 12.5 billion, a figure that could increase if fuel prices decline.

On the subject of external resources, Santana indicated that though the government would receive a good flow of foreign currency from abroad if it signs an agreement with the IMF, it would be an uphill struggle to pass from roughly US $200 million—the external resources which the government received last year—to US $2.310 billion.

He further pointed out that we must take into account the fact that in order to obtain the release of these resources, management capability is required to get the projects underway, something which the government has lacked.

In relation to the foreign debt payment, he felt it is possible that the budget may be realistic, since if it signs with the IMF it would have to make efforts to meet its external commitments.

"The document known as the National Budget," said Santana, "is just a piece of paper. It is drawn up to comply with a requirement, but in practice the government has never paid much attention to it," he asserted.

He indicated that the government has always submitted an unrealistic draft budget to Congress with the sole purpose of getting it passed by the members of Congress, but then it does whatever it finds appropriate.

He charged that this is done with the intention of keeping any sector of our national life from having input in decisions on how state resources will be used, as the government wants to handle these resources without restrictions.

"That has a very negative effect, for the resources which the state handles are society's resources, and society should know and approve in advance, through Congress, how they will be spent," he argued.

He maintained, though, that the government has used many ways to avoid such knowledge. The most traditional method has been to undervalue the estimated revenues from internal resources, so that it can handle any surpluses as discretionary funds, as permitted by the Budget Law.

Another method the administration uses, he said, is to propose large amounts of resources for some departments, as the population demands, but it has always based this funding on external resources, which do not come in in the proportion which is estimated.

He explained that another way is to propose a large amount for resources for the foreign debt service, which is not paid. The money is then used for other purposes, without Congress even being informed of the transfers.

* Economic Reportage on Fiscal Year 1990

* Fiscal Year Reviewed

91CA0071A Santo Domingo LISTIN DIARIO in Spanish 27 Dec 90 p 1-D

[Article by Maximo Manuel Perez]

[Text] The government will begin the 1991 fiscal year without the new budget; therefore, the current budget will remain in effect. The total revenues budgeted for 1990 were exceeded by the end of October.

The budget execution through October amounted to RD [Dominican Republic pesos] 571,807,338 of ordinary and external revenues.

The 1990 budget bill set ordinary revenues at RD 4.785 billion. This amount was exceeded by the end of last October, when RD 5,499,150,139 had been collected.

This surplus enabled the government to operate on a discretionary basis during November and December; it will continue to operate in a similar manner under this budget until the 1991 budget is approved.

The monthly average for government revenues through last October was approximately RD 500 million; by the end of the first half of the year, an amount very close to the total budgeted for 1990 had already been obtained, with revenues of RD 3,196,850,409 reported; expenditures were RD 3,193,528,725, and the monetary assets available were RD 3,322,291.

Up to October, ONAPRES [National Budget Office] reported treasury revenues of RD 5,499,150,139, and external resources of RD 220,657,119.

Of the total revenues obtained through October 1990, RD 2.1812 billion were generated by customs, and RD 1.0026 billion by the income tax.

External resources were RD 9.1 million in January; RD 9.4 million in February; RD 39.0 million in March; RD 10.7 million in April; RD 13.4 million in May; RD 22.6 million in June; RD 14.9 million in July; RD 12.6 million in August; RD 2.8 million in September; and RD 5.8 million in October.

Customs revenues brought in RD 192.7 million in January; RD 186.9 million in February; RD 200.2 million in March; RD 195.5 million in April; RD 211.5 million in May; RD 214.3 million in June; RD 235.5 million in July; RD 258.7 million in August; RD 227.4 million in September; and RD 258.3 million in October.

Income taxes provided RD 182.8 million in January; RD 154.5 million in February; RD 125.6 million in March; RD 268.1 million in April; RD 176.9 million in May; RD 170.3 million in June; RD 251.1 million in July; RD 195.1 million in August; RD 149.9 million in September; and RD 128.5 million in October.

Internal revenues brought in RD 90.3 million in January; RD 88.5 million in February; RD 11.2 million in March; RD 97.3 million in April; RD 125.2 million in May; RD 88.2 million in June; RD 99.7 million in July; RD 131.3 million in August; RD 98.8 million in September; and RD 92.2 million in October.

The lottery provided RD 12.5 million in January; RD 11.2 million in February; RD 11.0 million in March; RD 13.7 million in April; RD 8.2 million in May; RD 13.7 million in June; RD 15.0 million in July; RD 12.0 million in August; and RD 14.5 million in October.

"Other sources" provided RD 16.2 million in January; RD 56.1 million in February; RD 42.5 million in March; RD 28.3 million in April; RD 13.0 million in May; RD 110.9 million in June; RD 28.1 million in July; RD 31.5 million in August; RD 23.3 million in September; and RD 39.3 million in October.

* Inflation Tops 100 Percent

91CA0071B Santo Domingo EL SIGLO in Spanish 28 Jan 91 p 1-D

[Article by Victor Manuel Tejada]

[Excerpt] Inflation in December was 8.97 percent, bringing 1990's cumulative inflation rate to 100.6 percent, according to official data prepared by the Central Bank's Economic Studies Department.

This is the first time in the Dominican Republic's recent economic history that there has been a year of three-digit inflation; at the same time, economic activity declined by about 5 percent. This confirms the diagnosis of stagflation (a combination of stagnation and inflation) in the Dominican economy made by many economists.

The new inflation figure—100.6 percent—more than doubles the 1989 inflation rate, when it was 45 percent. In 1988, inflation was 42 percent.

The Consumer Price Index prepared by the Central Bank is based on weighted prices for a series of products. It was 1,865.92 at the end of December; at the end of November this index was 1,712.3.

There was marked price instability in 1990, especially during the second half of the year. During the June to December period, when an economic adjustment package was introduced—including the start of the new tariff—cumulative inflation rose to 78.69 percent.

During the last quarter of the year—September to December—the trend worsened, with an inflation rate of 41.98 percent. Thus, in a single quarter, the inflation rate was equal to the rate recorded for all of 1988.

Many economists feel, though, that the worst is still to come. Central Bank sources said that holding inflation at 50 percent in 1991 is reportedly one of the goals proposed in the IMF's draft letter of intent. [passage omitted]

* Economy 'Deregulated', Price Controls Lapse

91CA0079C Santo Domingo EL NACIONAL in Spanish 12 Feb 91 p 8

[Article by Pedro Caba]

[Text] The Department of Industry and Commerce's decision to deregulate the price of cement, a raw material vital for the nation's strategic construction industry, shows that the economy has definitely begun the "deregulation" process.

Deregulation means that product prices will be determined by the market forces of supply and demand, whether the product is essential or not.

Before the decision on cement, the Department of Industry and Commerce had earlier acted to deregulate, under the table, the prices of various types of flour used by the Molinos Dominicanos [Dominican Mills] state enterprise.

Even though Dominican Mills did submit a report to Industry and Commerce requesting official increases, it has been confirmed that prices were increased without any official authorization.

Price control officials from the Department of Industry and Commerce did say unofficially, though, that they will not set flour prices until the dollar's rate has stabilized, since according to the Dominican Mills study, local prices will depend on the rate paid for the dollar.

The prices of other basic commodities such as frozen chicken and eggs have also been deregulated, indicating that the Dominican Republic is now generally deregulating its economy.

Something similar has happened with electricity rates. The Dominican Electricity Corporation has changed electricity rates almost once a month. Since last September the price per kilowatt-hour has risen from 43 centavos to 1 peso 25 centavos for residential customers.

In recent months, government officials have been permissive on the prices of major consumer goods. Most of them had been regulated, and the government has lately been turning a blind eye when these products were sold at higher prices.

It was decided to allow prices of various consumer products to increase until some essential goods such as flour, cement, frozen chicken, and eggs were actually deregulated.

* Free Zone Entrepreneurs Violate Labor Laws

91CA0079B Santo Domingo EL NACIONAL in Spanish 10 Feb 91 p 30

[Text] Constant labor law violations by entrepreneurs operating in the nation's free trade zones threaten to cause these businesses to fail, claims the CNTD [Dominican National Confederation of Workers].

CNTD Secretary General Mariano Negron, denied recent statements by Manuel Enrique Tavares, president of the Dominican Association of Free Zones, charging that his statements "show he does not know the history of the national and international trade union movement."

Tavares alleged that U.S. union activists are paying union members in the Dominican Republic to stir up problems in the free trade zones.

Negron Tejada said that "because of violations of union rights and labor agreements in the free zones, the country has been brought into the U.S. courts by human rights organizations and union institutions."

He maintained that "if the courts rule in favor of the plaintiffs in April, the Dominican Republic will lose the U.S. trade benefits it receives through the GSP [Generalized System of Tariff Preferences].

"If that happens, the free trade zones will lose their primary market. They will not be able to sell their products in the United States, and this, in reality means that these companies will fail. The GSP requires that the beneficiary countries respect union rights and labor agreements," said the union leader.

"According to the president of the Free Zones Association, they are seeking to destroy all companies where unions exist," he stated.

Negron Tejada reported that if that is so, "some time ago the La Romana sugar mill should have disappeared, along with the State Sugar Council, and the companies where unions are operating."

Negron Tejada said that ever since it has appeared on the national scene, "the union movement has maintained ties with and received moral support from labor organizations in the United States, Europe, and Latin America."

He added that "Mr. Manuel Enrique Tavares is not being truthful when he says that union rights are respected in the free trade zones."

He cited the cases of the Westinghouse companies in the Haina Free Trade Zone, "where even though the union was recognized by the Department of Labor, the entire board of directors was ousted. The same thing has also happened at Sylvania, Baxter, and Undergarments Fashions in San Pedro de Macoris."

Haiti

Aristide Interview on Economy, Foreign Relations

FL1903222091 Port-au-Prince Radio Metropole in French 1700 GMT 18 Mar 91

[Interview with Haitian President Jean-Bertrand Aristide by Radio Metropole correspondent Clarens Renois at the National Palace in Port-au-Prince; date not given—portions recorded; italicized passages in Creole] [Text] According to President Aristide, in order to lower the cost of living, it is necessary to initiate changes in the public administration in order to avoid having the same hands manipulate state funds. The president says that diplomatic relations with France, the United States, Canada, and Germany are good. The president revealed his views on the statements made by powerful countries which did not keep their promises to the government. According to the president, Germany was to provide assistance in solving the serious energy crisis. This promise has not been honored. He said Germany gave its word but did not follow through.

[Begin recording] [Aristide] If you review the file on reducing staple items, it is necessary to connect this file with the one on justice. It is difficult to reach the desired drop in prices because there is no justice in customs and various other state institutions. Social injustice gave birth to several smuggling networks. For instance, at Haiti Cement crooked dealings take place whenever it is convenient. They can stop cement production. Meanwhile, the ship carrying cement arrives, so they sell the cement at the price they want. Later, they start cement production. This game caused cement to be priced as it is now.

Another example is rice. If one buys it abroad for sale here, one might drop the price. One must, however, be careful about other smuggling networks also importing rice. A clash might result which would be to the disadvantage of the local producers. It is then necessary to protect the prices of local production while trying to lower the cost of living. The minister of commerce will soon give public talks about the steps being taken to drop the cost of rice. We have already dropped the price of diesel oil and gas. Other prices will drop little by little. We will be open in our explanations in order to show the means used to lower the prices.

[Renois] What are your relations now with the private sector and the Haitian businessmen who you have not yet received here in the National Palace? How do you intend to work with them, especially in the economic field?

[Aristide] I had the pleasure to meet with the Chamber of Commerce even before the 16 December elections in order to better prepare for afterwards. It is true that following 16 December we have not yet found the opportunity to meet again here in the National Palace. What was shared with them, however, is not forgotten. On the contrary. The same policy of participation prevails.

I met other members of the private sector before and after 7 February. If it were not for the energy crisis at Haiti Electric which broke into our schedule, I would have had the pleasure of greeting them here at the National Palace last week. I expect to have a meeting with them soon while still applying the same policy of participation. I hope with this meeting we will continue the dialogue, because without them it would be difficult

to promote a productive society and reach a balanced economy. The private sector knows that, and I have not stopped from telling them so. Together with all the businessmen, we can further the Haitian economy.

We are here to protect the employers' rights as much as the workers' rights. We are here to guarantee security. I am convinced that when I meet them, they will be able to set a course which will work towards this new society. We have explored a number of alternatives during our meetings. We will continue to talk in order to build this society through participation. Within a few days, we will have the opportunity to meet.

[Renois] How are the relations between the powerful countries, friends of Haiti? How are relations with France, the United States, and Canada? Recently you spoke of friendly countries which did not keep their promises towards Haiti. Which country were you referring to?

[Aristide] It is not a secret. On 7 February, here before the National Palace, I spoke of Canada, Hydro-Quebec, and Germany. They intended to provide assistance in order to solve the energy crisis. Germany was going to give $3 million and Hydro-Quebec was providing $1 million. Germany did not give the $3 million, although it is not impossible to do if they want to. Those $3 million can be invested in Haiti. It is a fact that the United States, through AID, gave the $3 million and Hydro-Quebec provided $1 million. A word was given but it did not turn into action. Many promises were made by other foreign friends. We think that respect is expressed towards those who speak as much as to those who listen.

Today, diplomatic relations are very good with Germany. I always specify, when the opportunity arises, that diplomatic relations do not necessarily include an exchange of grants or money. Far from that. One thing is to explore the diplomatic world in order to harmonize relations and another thing is to conceive relations within the framework of a cooperation between two or more countries. Things are fine.

[Renois] *Mr. President, you mentioned when speaking about your first 30 days in power that you have inherited a catastrophic situation in general throughout the country. You also provided an overview of the ministries. Do you have now the means to regulate those situations and what is your plan of action?*

[Aristide] *Yes, we have the means and we have shown through transparency the means that we have in order to face this situation. When we spoke about the necessity to set aside big cats and small cats [big and small thieves] who are watching for the cream within the state administration, it is one of the strongest ways to fight corruption. When we consider the debts that they left for us, we think that if money is coming in and the same cats are watching for the cream, there is a great chance that we will get the same results. In a philosophical context: Cause is tied to effect. If one does not want the effect, meaning corruption, one must go to the cause. We feel that while facing such an economy devastated by traditional corruption because of a Duvalierist dictatorship....* [end recording] [interview interrupted for other news]

Supreme Court Judges Sworn In by Aristide

FL1903230591 Port-au-Prince Radio Metropole in French 1700 GMT 18 Mar 91

[Excerpts] The new members of the Haitian Supreme Court, who were appointed by the executive, took the oath of office this morning at the National Palace. Andre Cherilus is the president of the Supreme Court and Pradel Pean is the vice president. Larousse Pierre, Raymond Gilles, and Clausel Debrosse are the three new judges in the Haitian Supreme Court.

The appointments made by the executive last week were not approved by the Senate, which unanimously voted a resolution terming the appointments null and void. In answer to this, Prime Minister Rene Preval explained that because of the vote and the promulgation of the law setting aside Article 295 of the Constitution, the executive was endowed with an exceptional authority for six months in order to make changes in public administration and magistracy. Was a compromise found between the executive and the Senate? It is still unknown. We know, however, that some senators met yesterday with Prime Minister Preval and the new members of the Haitian Supreme Court who took the oath this morning. [passage omitted]

[Begin correspondent Rotchil recording] The new president of the Haitian Supreme Court, lawyer Andre Cherilus, took the oath this morning before Jean-Bertrand Aristide, president of the Republic. This ceremony was held in the National Palace before political and diplomatic personalities, including members of the ministerial cabinet and the ambassadors of countries such as the United States, France, China, Germany, Canada, and Mexico. Ernest Pedro Caseus, the president of the Chamber of Deputies, was the only representative from the Parliament. No senator was at the National Palace this morning.

President Aristide stated in his speech that the law is the law. He reasserted the willingness of his government to respect the Constitution. He also thanked the senators and the deputies for voting the law in accordance with the Constitution which authorizes him to make changes in the public administration and magistracy. The head of state also said, quote, if the deputies and senators suggest in the future a new law to replace the one of 7 March 1991, I will be ready to accept it under the aegis of the Constitution, unquote. President Aristide puts great hope in the impartial distribution of justice by the new members of the Haitian Supreme Court. [end recording] [passage omitted]

Parties, Parliamentarians View Swearing In

FNCD Issues Statement

FL2003222091 Port-au-Prince Radio Haiti-Inter in Creole 2100 GMT 19 Mar 91

[Statement issued by the National Front for Change and Democracy (FNCD) on 19 March]

[Text] The FNCD, the political party which backed Father Jean-Bertrand Aristide as a presidential candidate, clarifies its present position by stating: We are not the opposition side. If there is an opposition against Jean-Bertrand Aristide and Rene Preval, it comes from elsewhere. The statement is as follows:

The population is confused about the problems between the executive and the senators over the interpretation of the 7 March 1991 law. This law gives the president the right to make reforms. The FNCD points out to the Haitian people that its members have never questioned the support of the Aristide government. On the contrary, the FNCD attempts within its limits to have good relations with the established government. The FNCD provides the following proof.

First, on 5 March, an FNCD delegation gave President Aristide at the National Palace a memorandum offering some ideas on priorities for the country. This memorandum focused on reforms in justice, the Army, the police, and the state offices. Another necessity was for the government to have intelligent and competent diplomats who could conduct dynamic diplomacy at the international level. Further priorities included the need to lower the cost of staple items so the population can eat, the establishment of a public relations program, and an urgent plan to solve the energy crisis.

Second, on 15 March, a day after the Senate took a position on the alleged violation of the Constitution by the government in the appointing of the judges to the Haitian Supreme Court, Turneb Delpe, Jean-Robert Martinez, Firmin Joseph, and Yvon Gislain, who are FNCD senators, gave a news conference at the Legislative Palace. They pleaded for a search for the solution in negotiating with the executive. The senators, as part of a responsible organization, suggested a meeting between the senators and the executive to find an honorable alternative.

Third, on that same day, the FNCD coordination committee sent a letter to the president of the Republic asking for a dialogue in order to study with a cool head a practical formula so as to avoid future conflict between the executive and Parliament. This step was in keeping with the idea of establishing a real democracy in Haiti. According to the FNCD, in many other countries the executives have some latitude in conversing directly with the parties' members in Parliament.

Fourth, at this time, the executive does not think that it is necessary to follow the FNCD paths for its political basis at the chamber in order to make its ideas accepted by the FNCD Parliament members and allies. We solemnly ask the Parliament and the executive to do everything possible to avoid a political crisis between the two institutions because Haiti needs to stabilize and stop being a rocking chair.

In conclusion, the FNCD asks the president of the Republic together with the prime minister to set up a high-level political structure which would deal with the relations between the executive and the Parliament to avoid an unnecessary crisis again between the two powers. The people must know that if there is opposition against the Aristide-Preval government, it is not within the FNCD, and such an opposition must be found elsewhere.

Signed by the parties which comprise the FNCD.

PUCH: Appointments 'Arbitrary'

FL2003193091 Port-au-Prince Radio Metropole in French 1700 GMT 19 Mar 91

[Text] The Unified Party of Haitian Communists [PUCH] has described the installation of new judges at the Court of Appeal [the Haitian Supreme Court] yesterday as an arbitrary act. PUCH sees in this the forerunner of an authoritarian government that can subjugate justice, and continues to fail to acknowledge Parliament.

In a communique signed by the second in command, Max Bourjolly, the PUCH states that the chamber will soon be dispirited to the state of a zombie [la chambre sera prochainement zombifiee] as was the case of the State Council under the government of Mrs. Trouillot.

According to the PUCH, this appointment constitutes a snub to Parliament members, and forecasts a snub to political parties and the press next. The PUCH points out that the important thing is not to change men, but to set up new structures. It concludes that the danger of a personal dictatorship is on our doorstep. The PUCH says it was not accepted under Duvalier, Namphy, Manigat, Avril, or Mrs. Trouillot; it will not be accepted under Aristide.

MPP Comments on Conflict

FL1903003091 Port-au-Prince Radio Soleil Network in Creole 1200 GMT 18 Mar 91

[Text] The Papaye Peasants Movement [MPP] has stated in a press release that the impression everyone has today is that the Parliament has not done anything constructive since it took office. This is what the MPP thinks about the conflict between the executive and the legislature.

The MPP says the people have been struggling for democracy since independence [1 January 1804]. Are people today asking if there is no [legislative] chamber or if there is a puppet chamber? The MPP does not think

so. The chambers may find the people a little rough on them but the deputies and senators must try to understand the people. The people have the impression that the chamber has not yet done anything constructive since it took office. Perhaps the people are not sufficiently aware of the chamber's work. In that case, there has been no clarity.

What subjects has the chamber already discussed? They have talked about how much money they would like to earn in salary. At this point the people have a problem with them and they are in trouble with President Aristide, who said that he would not accept a scandalous salary. That means their salaries should also decrease. It seems that this Aristide statement does not please them at all. Are they now taking revenge?

With reference to Article 295, if the executive has made a mistake as the four National Front for Change and Democracy senators claim, the mistake is only the fact that it asked the chambers to rule on Article 295. Normally, it should not have asked them anything because the avalanche is the first government stemming from democratic elections. It could have applied Article 295 in a straightforward way. It is because it was trying to have the participation of the chambers that it has fallen into this trap. The work on this article raised many never-ending discussions, many demonstrations spoken in French, and many trivial comments. They were mostly defending their own interests when they wanted to take a certain part in the nominating power that the Constitution gives the executive. Do the senators not understand Article 295 which empowers the executive to make the changes it wants within the public administration and the magistracy during the first six months, or is there something else that some senators are looking for?

Why did the executive's nomination of a prime minister drag on so long? Was it not because each group had their own people that they wanted to recommend? Was it not personal interests or the (?interests of) a small group? The people's interests have yet to have a say in the matter at all.

The MPP continues by saying that when certain points are considered, it can understand that the people do not yet see a desire and a concern by the chambers to work for the satisfaction of their interests. What are the chambers' priorities? Are there not numerous, important laws they could have already been working on? Where is the law on the assemblies, for example? Is the legislature there only to watch the executive's derilictions for rebuke?

When the MPP considers the Senate's position following the appointment of the judges to the Court of Appeal [Haitian Supreme Court], it becomes lost and afraid. The MPP became lost when it heard the Senate saying that the executive had violated the Constitution, especially while remembering that they had just voted a law which was not even necessary. The transitory provisions are quite clear. This right, the right the senators are claiming, will come later. In case things were like that, the transitory provisions would be useless. Article 295 does not refer at all to Article 175. They are not even linked. Gentlemen Senators, you must wait for six months for your power.

The MPP continues by saying that it is afraid because it sees a danger in the attitude of the chambers that want to create and maintain a permanent disagreement between the executive and legislature. That will play into the hands of democracy's enemies. Many senators are seemingly working for the realization of the enemy as they have already considered Aristide a drum major leading a band. They consider him a dictator.

When the senator [referring to the Grand'Anse Senator Bernard Sansaric, who said Aristide was trying to break up the chambers and establish a popular dictatorship] speaks of popular dictatorship, this expression is not harmless. The MPP understands it because it know what sector used to apply it.

It is the people who elected the president. It is the people who elected the chambers even though they are full of free riders. The people are keeping an eye on the president, as well as on the senators and deputies. If the people have supported the president up to now, it is because they believe that he has not yet betrayed them.

The MPP hopes that the chambers will make an effort to get back on track so that they can take into consideration all of the people.

Parliamentarians' Statement

FL2003004091 Port-au-Prince Radio Soleil Network in Creole 1200 GMT 19 Mar 91

[Report by correspondent from Cap-Haitien]

[Excerpts] The current crisis at the Legislative chamber is not something isolated. It is a movement sponsored by the U.S. State Department to stand in the way of the Aristide government. This statement was the major point of a public debate held on 18 March at Notre Dame College. This was in keeping with the statements made by the People's Departmental Assembly of the north which is one of the six organizations comprising the National Alliance of People's Organizations, Makandal [an organization], the Avalanche Quarter Committee (?areas one to five), the Association of Students of Northern Haiti, and the Solidarity Among Cap-Haitien's Students.

These groups received three Parliament members last evening at Notre Dame College so that the parliamentarians could provide explanations on what they have accomplished and on the current conflict between the chamber and the executive power. Deputy Isaac Garcon of Acul du Nord, Deputy Jacques Lafleur of Cap-Haitien, and Senator Raoul Remy looked very embarrassed while answering the many questions presented by the participants.

According to Deputy Isaac Garcon, they were obliged to work constantly. They were obliged to work even on Saturdays and Sundays, first on preparing the inaugural ceremony of the president and then on validating Article 295. With reference to Article 295 that the Parliament members voted and which gives the executive the right to make all necessary reforms within the public administration during the first six months, Senator Raoul Remy answered a question concerning the disagreement which exists now between the Senate and the executive and which is caused by this very Article 295 at the chamber. He said that although the president has the right to make reforms within the public administration, Article 175 provides for how this must be done regarding the Court of Appeal.

Deputy Jacques Lafleur replied to questions about money which the Parliament members are reportedly asking for without doing anything [words indistinct] to defend this people that has given them a mandate to fight the high cost of living, to defend them against insecurity, to defend them against many other things [words indistinct]. He informed all present that up to now the chamber has never discussed either salary or budget at any session. [passage omitted]

When asked about the assistance not given to Haiti by foreign countries, Deputy Jacques Lafleur asserted that this is not something important. Moreover, even though foreign countries do not supposedly want to help Haiti so as to squeeze the government, Deputy Lafleur thinks this is a joke because Haiti must live on its own resources and, as a deputy, he is only waiting for the president to tell him that he [the president] is in trouble, to let him know where the country's resources are hidden, as he [the deputy] does know where they are. [sentence as heard]

Aristide Says: Fight Zenglendos, Cost of Living

FL2003193591 Port-au-Prince Radio Haiti-Inter in Creole 2100 GMT 19 March 91

[Excerpt] In a speech made this morning after attending the parish celebration at St. Joseph Church in Croix des Bossals [a popular public market], President Aristide called on the population to fight against Zenglendos and the high cost of living.

Father Jean-Bertrand Aristide also stated that his government was for the poor as well as the rich. He recalled when Pope Jean-Paul II came to Haiti and declared that things must change.

Aristide expressed his hope that by next year, on the date of this same celebration, things would be different. [passage omitted]

Justice Ministry To Prosecute Embezzling Macoutes

FL1903233091 Port-au-Prince Radio Soleil Network in Creole 1200 GMT 19 Mar 91

[Text] The Haitian judiciary has decided to prosecute the major macoutes who embezzled public funds. For the moment, it is pursuing Max Dominique for prosecution.

The news was announced by Haitian Prime Minister Rene Preval and Justice Minister Bayard Vincent, who said that legal action for embezzlement of public funds was brought against Max Dominique in 1986. It was never carried out, as was the case for Jean-Claude Duvalier and all his acolytes. Today, they have decided to resume the matter. We remind you that Max Dominique is living in the southeast of France.

Justice Minister Comments

FL2003234591 Port-au-Prince Radio Soleil Network in Creole 1200 GMT 20 Mar 91

[Interview with Justice Minister Bayard Vincent by Fayette Theodore, producer of "Haiti First Class," a New York television program on 15 March; place not given—portions recorded]

[Excerpts] The justice minister, lawyer Bayard Vincent, was interviewed by a foreign journalist [a Haitian who formally worked at Radio Nationale]. In the interview the minister said that he acknowledges that he was a Macoute but he added that the president has appointed him to watch over the other Macoutes. He is well placed to identify them and then bring them to justice.

Justice Minister Bayard Vincent appears determined to silence all the people who are trying to catch him by saying that he is a big Macoute and that he allegedly does not have a place within the avalanche [lavalas] government. The minister told a producer of the New York television program "Haiti First Class" [Haiti Premiere Classe] that President Aristide appointed him as a Macoute to watch over the other Macoutes. According to Vincent, it is thieves who can best watch over thieves. Because he knows all the big Macoutes, he will have justice prevail and apprehend them one by one.

In the same interview, lawyer Bayard Vincent talked about all the major files he is working on now, especially the Roger Lafontant and Williams Regala dossiers. Let us listen to the minister being interviewed by Fayette Theodore.

[Begin recording] [Theodore] For example, we see the Lafontant case.... [rephrases] When will the Lafontant trial take place?

[Vincent] As for the Lafontant case, that is really my (?favorite) dossier. Do you understand? We are well into it. [passage omitted] Fortunately, this morning the president informed me that General (?Herard Abraham) told

him he will provide him with the results of his investigation within two days because there is a commission of inquiry investigating the participation of the military in the 7 January coup.

[Theodore] I understand. Investigations are being conducted at both the military and civilian levels?

[Vincent] We will have the results the day after tomorrow from the military. The people allegedly involved in the coup will be added to the civilians who have been implicated. Then there will be further questioning, because it is the law that all those files be compiled so we can send them to the preliminary investigation chambers. [passage omitted] As for the Regala case, I must tell you that the Regala case was submitted to the preliminary investigation chambers.

[Theodore] Has a warrant been issued against Regala?

[Vincent] Yes, the examining judge now.... [changes thought] When a case is submitted to the preliminary investigation chambers, the government commissioner [public prosecutor] does not go back to it. The government commissioner has nothing to do with it anymore. The examining judge, that is to say, Judge Henock Voltaire, just issued a summons against Regala. I can give you this assurance: [Words indistinct] a summons against Regala, it is now up to the police to do their job.

[Theodore] Up to now, how is the cooperation between the police and the judiciary?

[Vincent] Oh my dear, I must tell you that for a period of time, since Father Aristide took office [words indistinct] there are changes also in some [words indistict].

[Theodore] Could we say the marriage [between the Army and the people] the president talked about has had good results?

[Vincent] The marriage has provided good results. If you want to see how the marriage has provided good results you can note that the police took the security problem to heart and they are beginning to have good results. [passage omitted] [end recording]

The reactions of lawyer Bayard Vincent show that the minister has the composure needed to have justice move forward despite all the criticism lodged against him in an attempt to throw him off balance. Can a Tonton Macoute become an anti-Macoute? Many people are skeptical but Bayard Vincent appears determined to convince them.

St. Vincent and the Grenadines

Rescued Cuban Refugees Await Immigration Decision

FL2003183091 Bridgetown CANA in English 1647 GMT 20 Mar 91

[Text] Kingstown, St. Vincent, March 20, CANA—Five Cuban refugees who entered St. Vincent and the Grenadines on March 6 are still awaiting word on their fate from the Foreign Ministry here.

Edelberto Toledo, Beningno Perez, Miguel Hernendez, Hector Rodriguez, and Raul Hernandez have been in the care of the Red Cross since their arrival on board a motor vessel which brought a consignment of cargo here. The five had escaped from Cuba on a dinghy, and were heading for Miami, but the dinghy developed problems and sank. The men were rescued by the ship coming here, after they were spotted drifting on a raft on March 4, harbour officials here quoted the ship's captain as saying.

A senior Foreign Ministry official here said they were awaiting a report from the Immigration Department before making a decision on the fate of the refugees. That report, immigration officials said, was sent Tuesday to the Foreign Ministry.

Speaking through a Red Cross interpreter, the five men said they wanted safe passage to Miami. Red Cross officials said they had received numerous calls from the men's relatives in Miami inquiring about their safety.

Trinidad and Tobago

Court Dismisses Muslimeen Coupists' Appeal

FL1903013091 Bridgetown CANA in English 2153 GMT 18 Mar 91

[Text] Port of Spain, Trinidad, March 18, CANA—The Trinidad and Tobago Appeal Court on Monday dismissed an appeal brought by 114 men awaiting trial in connection with the failed coup attempt here last July. The members of the predominantly black Jamaat al Muslimeen Muslim group were seeking to have the appeal court overturn a high court decision that dismissed a constitutional motion they had filed to block their trial. The constitutional motion argued that a presidential pardon precluded prosecution of the accused on charges including kidnapping, murder, treason, and weapons possession.

The appeal court, comprising Chief Justice Clinton Bernard, and Justices Sat Sharma and Ibrahim Mustapha, upheld the high court decision on the matter. The appeal court explained there was a distinction between a verdict of not guilty in committing a crime, and being granted a pardon.

"A verdict of 'not guilty' by a jury of one's peers obliterates the offence and removes all claims and suspicions against the accused that he was in fact the author

of the crime for which he was charged...." Chief Justice Clinton bernard argued in his submission.

"A pardon on the other hand, does not go that length. It merely takes away.... the penalty and the guilt and thus protects the party from being defamed and relieves him from particular disqualifications and discriminations," he added.

Defence attorney Farouk Hosein gave verbal notice they would appeal to the judicial committee of the British Privy Council, Trinidad and Tobago's final court. The preliminary hearing into the charges against the accused has been held up by the motion.

Two dozen persons were killed in the coup attempt in which Prime Minister A.N.R. Robinson, parliamentarians, and state television workers were held hostage by the Muslimeen rebels.

Last September, a high court judge, Lloyd Gopiesingh dismissed the constitutional motion, which also sought the release of the accused from detention. He described the motion as "frivolous and vexacious" and an "abuse of the process of the court." He said the issue of amnesty could be raised by the accused during their trial.

'Fast Track' for Free Trade Agreement Desired

PA1803164891 Paris AFP in Spanish 2154 GMT 14 Mar 91

[Text] Mexico City, 14 Mar (AFP)—Herminio Blanco, Mexico's top negotiator, told the local press that the negotiation of a free trade agreement between Mexico, the United States, and Canada will be carried out, "either with the 'fast track' [preceding two words in English], or without it," if the U.S. Congress does not approve it.

In the publication today of Mexico's first reaction to the difficulties that U.S. President George Bush is having in getting a "fast track," Blanco admitted that "in theory there is a possibility that the trilateral treaty negotiations will be carried out on a slow track." Blanco said that the "fast track" mechanism was first adopted by the United States to hasten the negotiations at the GATT meeting in Tokyo, thanks to which Congress can accept or reject it.

Blanco said that the "fast track" would include the trilateral free trade agreement, the GATT meeting in Uruguay, and the Initiative for the Americas, and therefore "it is not Mexico but the U.S. President who has to be convincing, because he is the one who is going to use the procedure."

According to reports from Washington, some sectors of Congress are opposed to the "fast track" because they are worried over the absence of topics such as ecology, immigration, and labor in the negotiations, or even any form of pressure to make Mexico include oil in the agreement.

Concerning topics such as the environment and labor, the Mexican negotiator said that "there is a lack of information among some American sectors regarding how much progress has been made and what has been accomplished between the two governments."

He said that the Mexican Constitution will not be altered in response to alleged pressures by U.S. groups for constitutional modifications that would include oil in the treaty. Article 27 of the Constitution gives absolute control of oil to the state, and Mexican President Carlos Salinas has dismissed the possibility of including it in the free trade agreement. This has been agreed upon in principle by the parties involved.

The Mexican negotiator explained to the local press that it is very difficult to negotiate without the "fast track" because any article of the agreement can be changed by any U.S. representative or senator.

At a meeting with British businessmen, Blanco commented that the Mexicans "hope that the treaty will go into effect in 1993" if the negotiations are conducted in a constructive atmosphere.

Increase in Number of AIDS Cases Reported

PA2003033691 Mexico City NOTIMEX in Spanish 1852 GMT 11 Mar 91

[Text] Mexico City, 11 Mar (NOTIMEX)—With an increase of close to 2,500, or 40.1 percent, in the number of reported AIDS cases in 1990, Mexico ranks third on the American continent and 11th throughout the world.

According to the most recent figures of the Secretariat for Health and Public Assistance's [SSA] Center for Exchange, Documentation, and Information on Aids [CIDIS], 6.6 new cases occurred daily in 1990, 42.3 percent of which were reported to this agency. According to the report, the greatest number of AIDS cases occur in the largest urban areas, such as Mexico City, with 2,000, Jalisco, with 800, and the state of Mexico, with 780.

CIDIS also said that in Mexico one out of every 2,730 males between 25 and 44 years of age has either been infected or killed by AIDS. In addition, AIDS has been diagnosed on and reported to one out of every 5,684 males between 45 and 64 years of age, and one out of every 12,725 males between 15 and 24 years of age.

The agency reported that in the cases associated with heterosexual transmission, the trend is upward, although the information presented in the 1990 bulletin indicates a high proportion of cases reported as heterosexual transmission in males, a situation that suggests these men are really homosexual or bisexual.

Finally, regarding the present condition of the patients, the report said that 44.4 percent are still alive and 49.6 percent have died. The report did not give any follow-up figures for 5.9 percent of the patients.

Pemex Director on Closing Refinery, Future Plans

PA1903170591 Mexico City Red Nacional 13 Imevision Television in Spanish 1309 GMT 19 Mar 91

[Text] According to Pemex [Mexican Petroleum] Director Francisco Rojas Gutierrez, who submitted his report to the president, the cost of closing the 18 March oil refinery in Azcapotzalco will be over $500 million.

[Begin Rojas recording] Closing the refinery will cost over $500 million. It represents the investments that will have to be made over the next three years to speed up plans for the refinery system. It will also mean there will be new temporary demands on the already overburdened refinery system. [end recording]

The Pemex director made the recommendation to close down the refinery in keeping with the president's order to put the Mexican people's health before ideological or sectorial interests. He explained that the supply of fuels for the metropolitan area will be made with temporary imports. In addition, to overcome limitations, he announced the expansion of existing refineries and the construction of a new one beginning in 1992.

[Begin Rojas recording] Given the unavoidable deadlines for the delivery of equipment and the construction of a modern and complex refinery in three to four years, work must begin as soon as possible in order to prevent crisis with supply or excessive imports in the future. [end recording]

Francisco reiterated on several occasions throughout his report that the oil industry will be the exclusive property of Mexicans and it will excluded from trade negotiations.

The Pemex director said the company has implemented the most ambitious ecological program in the country with an investment of $2.1 billion during the current six-year period. The goal is to help clean up the atmosphere in the capital and other polluted cities.

Workers, Industrialists React

PA2003234691

[Editorial Report] Mexico City NOTIMEX in Spanish on 18 March carries four Mexico City datelined reports on reaction to the announcement by Mexican President Carlos Salinas that the 18 March Refinery located in Mexico City will be closed.

In a 350-word report at 1937 GMT, NOTIMEX indicates that Sebastian Guzman Cabrera, secretary general of the Trade Union of Petroleum Workers of the Mexican Republic (STPRM), stated that "between 5,000 to 6,000 permanent and temporary Mexican Petroleum, Pemex, workers will be relocated due to the definite closing of the refinery." Nevertheless, he added, the health of nearly 20 million residents of the Federal District comes before the "sacrifice of the petroleum workers." The labor leader said some of the workers will probably be dismissed, but "the dismissals will first affect the temporary workers." Guzman Cabrera explained that the union will work with Pemex so that the petroleum workers will be affected as little as possible, adding that the permanent workers will continue to receive their wages until they are relocated.

In a 350-word report at 2042 GMT, NOTIMEX carries the reaction from Planning and Budget Secretary Ernesto Zedillo, who says that the closing of the refinery "will not affect the public finances because the modernization of Pemex will be done on the basis of strict fiscal discipline." He adds that the closing of the refinery will, in fact, help finances because "the refinery had entailed large petroleum production costs." The same report also quotes Roberto Sanchez de la Vara, president of the National Association of the Processing Industry, Canacintra, as saying that the government's action does not discourage investments and instead, commits the industrial sector to undertake actions to improve the environment.

NOTIMEX reports in a 400-word dispatch that, according to Pemex officials Raul Robles Segura and Ernesto Marcos Giacomani, "the closing of the 18 March Refinery will cost the federal government $500 million." The officials explained that this figure includes the funds to temporarily import gasoline, compensation for the employees, and money to begin the construction of a new refinery. Robles Segura, Pemex deputy director for petrochemicals, said that "gasoline will have to be temporarily imported and the production systems will have to be improved to meet the domestic demand."

NOTIMEX adds that up until 18 March, the Azcapotzalco refinery processed approximately 100,000 barrels of crude oil a day, of which 30 percent was used to produce gasoline. Ernesto Marcos Giacomani, Pemex deputy director of finance, said that studies are underway to choose the ideal location for the new refinery, and he added that "billions of dollars will have to be invested." Regarding the new refinery, Teodoro Cessarman, president of the Mexico City Consultative Council, says that "the new refinery will probably be located in Salina Cruz, Oaxaca."

Continuing on the issue of a new refinery, in a 300-word report at 2257 GMT, the National Peasant Confederation (CNC) and the General Union of Workers and Peasants of Mexico (UGOCOM) described the decision to close the refinery as positive, but they noted that it is important that they remain watchful about the relocation of the Azcapotzalco refinery so that a new refinery will not pollute rural areas. "We do not want the problem to be transferred to another site," they stressed.

Belize

Canadian Couple Shot to Death, Bodies Found

FL2003170491 Bridgetown CANA in English 1534 GMT 20 Mar 91

[Text] Belmopan, Belize, March 20, CANA—Two badly decomposed bodies, found last Friday by an employee of the Belize River Fruit Company, have been identified as an elderly Canadian couple.

Police said investigations over the weekend revealed the couple as Gordon and Barbara Scott from Calgary, Alberta. Both were in their 70's and had come here in December. The bodies were discovered in bushes near the Belize River in the Never Delay area, about six miles from here. A shotgun was found nearby. The investigating medical officer estimated the bodies had been there for about eight to 10 days. A post mortem revealed they had died from gunshot wounds.

The Scotts, members of the Bahai faith, were staying at a Bahai centre here. Head of Belize National Spiritual Assembly of the Bahais, Bernice Yorke, said she thought the couple were very kind people who gave rides, which they should never have done.

"We accepted them and welcomed them very warmly because we knew that they were good people who could contribute not only to the Bahai faith, but they intended to help anybody at all," she said.

Mrs. Scott was a psychologist who reportedly stood in recent provincial elections in Alberta. Mr Scott was a retired businessman. The couple had seven children.

El Salvador

Government, Guerrillas Say Cease-Fire 'at Hand'

PA2003140491 San Salvador Radio Cadena YSKL in Spanish 1210 GMT 20 Mar 91

[Text] Managua—The guns may soon be silenced in El Salvador after 11 years of war that have resulted in more than 70,000 victims, according to guerrilla leaders and Salvadoran Government representatives who believe that a cease-fire is at hand.

Salvadoran guerrilla leader Joaquin Villalobos stated during a news conference held in Managua that the Salvadoran armed conflict is reaching its final phase. Villalobos reiterated that the guerrillas want to secure a cease-fire before 30 May, while the government and the guerrillas negotiate the rest of the agenda, particularly the military and constitutional reforms demanded by the Farabundo Marti National Liberation Front [FMLN].

If a cease-fire is achieved, it will be the beginning of the end of the war, Salvadoran Foreign Minister Manuel Pacas said.

Salvadoran Presidency Minister Oscar Santamaria termed the FMLN proposal encouraging and told ACAN-EFE that a cease-fire may be possible before 30 May. Santamaria recognized, however, that the guerrillas' wish to have certain territory under its control at the time that the cease-fire is secured is not up for discussion at this time. He added that the topic will have to be reviewed.

The FMLN wants the cease-fire to take place with geographic spaces being designated according to the different levels of control that the opposing Army and guerrilla forces have in the respective areas. Asked to define such spaces, Villalobos said they are geographic areas within the states that will permit the separation of forces and the international verification of the cease-fire. Concerning this topic raised by those opposed to the Salvadoran military, Villalobos said that a geographic space is not the same as a division of administration. Villalobos said that the guerrillas want to be where they have always been during the cease-fire, including some areas near the capital, although he did not specify the amount of territory that the FMLN will claim. The cease-fire proposal by the FMLN may contribute toward accelerating the negotiations that the government and guerrillas have been carrying out since last April under UN mediation.

Peruvian diplomat Alvaro de Soto, who represents UN Secretary General Javier Perez de Cuellar in the Salvadoran negotiations, has stated that both parties have a defined will for accelerating the process. Alvaro de Soto has traveled to El Salvador to meet with Salvadoran President Alfredo Cristiani.

The Salvadoran Government and the guerrillas will hold a meeting this coming Tuesday in Mexico with De Soto, sources close to the negotiations have announced. The government and guerrilla representatives met in Managua with the foreign ministers of Spain, Colombia, Mexico, and Venezuela—the so-called group of friends of the UN secretary general.

Both Villalobos and Santamaria termed as positive the participation of the four foreign ministers. The FMLN leader affirmed that if the negotiations become more dynamic and a cease-fire is agreed upon, the ministers can play an important role, even an operational one.

Spanish Foreign Affairs Minister Francisco Fernandez-Ordonez announced Spain's willingness to participate in the international force that would be charged with ensuring implementation of the cease-fire under UN auspices.

Main Points of FMLN Proposal Highlighted

PA2003203591 (Clandestine) Radio Venceremos in Spanish to El Salvador 0000 GMT 20 Mar 91

[Text] The document presented by the FMLN [Farabundo Marti National Liberation Front] to the European and Central American foreign ministers who

are meeting in Managua has become the center of attention. Unofficial sources have indicated that the discussions have focused on the document presented by the FMLN, and not the request made by Central American countries to Europe so that it can grant tariff preferences for the Central American products. Among others, the FMLN proposal includes the following points:

1. To discuss the three basic negotiation points simultaneously, that is, the Armed Forces, the constitutional reforms, and the cease-fire.
2. To create commissions consisting of both parties to respond to the aforementioned objectives.
3. To immediately begin discussion of a cease-fire under the auspices of military leaders of both parties.
4. To include, in the most convenient manner, the political parties and social forces in the negotiations.
5. To make whatever efforts are necessary to achieve constitutional reform agreements, before the term of the current Legislative Assembly expires on 30 April.
6. By 30 May at the latest, agreements should be attained on the three basic issues to conclude the first phase of the negotiations, including the attainment of the cease-fire and to follow up on the negotiations.

The FMLN proposal includes the following points regarding the cease-fire:

1. To recognize the existence of two opposing military forces, within the framework of a national territorial and political reality.
2. To take into account the existence of spaces [espacios] defined by the different degrees of control of the opposing military forces or the social, political, and economic realities caused by the war.
3. To achieve the greatest possible level of demilitarization of the national territory to provide guarantees and greater space to the civilian population.
4. To allow all political forces to operate in the national territory, with guarantees of respect for human rights and the full exercise of the freedom of expression.
5. International verification.

Air Force Chief: No Rebel Controlled Areas

PA2003221491 San Salvador Canal Seis Television in Spanish 0200 GMT 20 Mar 91

[Passages within quotation marks are recorded]

[Text] Salvadoran Air Force Chief, General Rafael Villamariona, said today that it is impossible to let the guerrillas control some of the national territory. Villamariona discounted the rebels' peace proposal made in Nicaragua, where they suggested a cease-fire. He said that partitioning the country to allocate territory to the rebels, as they have proposed, cannot be considered.

[Villamariona] "Under no circumstances can the government or the Armed Forces permit an area of the country to be controlled by the FMLN [Farabundo Marti National Liberation Front] terrorists."

There is one possibility of assigning an area to the rebels, however, he said, the guerrillas would have to totally disarm.

[Villamariona] "They could live in a specific area or village, but they would have to be completely disarmed. Then, the Armed Forces could move throughout the national territory and leave them alone in their area."

He said, however, that this is a good time for international officials participating in the negotiations to pressure the rebels into making good on their proposal, thus preventing the seriousness of the peace process from being jeopardized.

[Villamariona] "Let the rebels make good on their word. Let the international organizations enforce strict compliance by the rebels. Let the guerrillas know that, when something is said, it should be complied with."

In addition, it was reported today that the U.S. Congress again withheld the military aid approved for El Salvador because the deadline for the five conditions, which includes settling the Jesuits' case and ensuring respect for human rights, ended on 16 March. General Villamariona said this decision will hamper the Army's plans at a time when the guerrillas have become stronger.

[Villamariona] "Holding back this aid enables the terrorists to become stronger and makes them believe that other governments are aiding them. This decision will delay the Armed Forces' plans somewhat."

Treasury Workers Strike Again; Others May Join

PA2103003891 Panama City ACAN in Spanish 2121 GMT 20 Mar 91

[Text] San Salvador, 20 Mar (ACAN-EFE)—Over 4,000 Salvadoran Treasury Ministry workers resumed their strike today to demand from the government higher wages, social benefits, and the release of 22 employees who were arrested.

Meanwhile, over 1,000 government workers, who began a strike in solidarity with the treasury workers yesterday, marched to the Legislative Assembly, in the downtown area of the capital, to demand an across-the-board wage increase and the release of the arrested workers.

Carlos Luna, secretary of the General Association of Treasury Ministry Employees (Agemha), said that the strike will be lifted when the ministry authorities resolve a number of issues brought up by the employees over a year ago, and authorize the release of 22 employees arrested by the police last week following serious disturbances.

Those arrested were 18 ministry employees and four members of other labor unions who, during the incidents, gave their "support" to the Agemha leaders, according to Luna.

The authorities sent the detainees to the Mariona Prison, the country's main penitentiary, this week, after charging them with abandoning their jobs and provoking public disorders.

The workers initiated a strike for an indefinite period on 7 March to demand wage increases, better working conditions, improved medical benefits, and retirement with 100 percent of their wages for employees who have served for over 30 years.

Luna said that unless an agreement is reached on the workers' petitions today, employees of the country's sole international airport, border posts and other key points will go on strike tomorrow.

'Solution Could Be Near'

PA2103044991 San Salvador Canal Doce Television in Spanish 0320 GMT 21 Mar 91

[Report by Marco Antonio Guevara]

[Text] Treasury Minister Rafael Alvarado on 20 March said that the serious incidents stemming from the strike at this ministry could have been avoided and added that a solution could be near depending on the wilingness shown by Agemha [General Association of Treasury Ministry Employees] leaders:

[Begin Alvarado recording] I believe that the possibilities have always been there. It all depends on their attitude and degree of understanding and respect for the rulings handed down by the judges at the courts. We believe that today we will know all the details of the judges' ruling. We hope such rulings will lead to the release of many workers, and we also hope that those who remain under arrest—you have noticed our good intentions in the documents we have signed with them—will be kept informed while we continue to analyze each individual case to ensure that it is resolved. [end recording]

Minister Alvarado added that the government has always been willing to improve salary conditions at the ministry, but under different criteria:

[Begin Alvarado recording] We believe that the salary issue can be discussed and resolved if there is a little more prudency and patience, not through an blanket increase, but through a restructuring of the Treasury Ministry's Salary Law. We would match positions with the responsibilities and salaries that are fitting to each level. In other words, the drivers will have one salary and the secretaries will have another. The idea is to match salaries with duties and responsibilities. We can do this. We believe that next week—should delays in our normal administrative work not continue—we could make these corrections. [end recording]

The treasury minister was questioned on 20 March as he was presenting at the Legislative Assembly an official report on how the 1990 general budget was disbursed. According to this report, last year's fiscal deficit was significantly reduced from 566.5 to 308.4 million colons as a result of the government's economic measures.

Arena Claims Victory in 175 Municipalities

PA2003233091 San Salvador LA PRENSA GRAFICA in Spanish 19 Mar 91 p 11

[Text] Arena's [Nationalist Republican Alliance] mayoral candidates have won a total of 175 local municipal governments.

A communique issued by Arena also says that "this victory represents 67 percent of all the municipalities, which translates into a vote of confidence for Arena's municipal and legislative programs."

The report adds that the people living in the municipal capitals and cities, as well as the those living in villas, towns, cantons, and hamlets expressed, through their votes, their support for Arena's candidates and for the continuing progress and the development works.

The report stresses that "Arena's victory is no coincidence, but a recognition of its compliance with work programs, which favored all sectors of the population, especially the least-favored sectors."

The report also says that "it is evident that the Arena government has not just been concerned with supporting the party's municipal councils, but it also has been concerned about the opposition, thus, demonstrating that the serious and permanent national problems are above personal or group interests.

Arena's communique says that the people witnessed the fact that "the outstanding majority of the communities in the national territory received support from Arena."

FMLN Says Army Seeking More 'Scapegoats'

PA2103022691 (Clandestine) Radio Farabundo Marti in Spanish to El Salvador 0000 GMT 14 Mar 91

[Station Commentary]

[Text] In a renewed effort to deceive the U.S. Congress, General Rene Emilio Ponce and four other ranking military officers are now proposing the initiation of an additional investigation into the UCA [Central American University] massacre.

La Tandona [the 1966 graduating class of the Captain General Gerardo Barrios Military School] seems willing to sacrifice another dozen soldiers so that they, the generals, can be beyond the reach of justice. Desperate to secure the vital serum for the patient—the Armed Forces—the high command has hurled another letter through the hallways of America.

Fifteen March is the deadline for the Bush administration to surrender the already unfrozen $42.5 million to the antidemocratic Army. With this aid, Bush would be underscoring the impunity of the true perpetrators of the Jesuits' murders, who have been highly favored by the

electoral fraud. However, most Salvadorans are not asking for more aid or more scapegoats. They are demanding peace and justice. No one is asking for temporary suspension of aid; the people want total suspension—as stated in a recent proposal by 34 U.S. congressmen.

We must remember that George Bush's decision was the first link in the chain that claimed the lives of 15 peasants in El Zapote. The United States has reached the crossroads of its policy; it must either support the peace negotiations or an intensification of the war. We Salvadorans believe that the United States can play a constructive role; the ball is in its court.

Nicaragua

Assembly Divided on Strike-Ending Agreement

PA2103040291 Managua Radio Sandino in Spanish 1200 GMT 20 Mar 91

[Text] The agreements signed between the government and the FNT [National Workers' Front] failed to receive the National Assembly plenum's support, given the polarization which arose yesterday. The document was only supported by the Sandinist National Liberation Front [FSLN] deputies, through Commander Commander Dora Maria Tellez.

Roberto Moreno, a communist deputy of the UNO [National Opposition Union], said that the agreements were a blow to the national concerted agreement. He added that the Permanent Workers' Congress rejects what was signed between the government and the FNT.

The discussion began prior to the parliamentary meeting but most of the UNO deputies disregarded the issue. They only discussed topics that had nothing to do with the agreement signed by several government ministers and the FNT leadership.

FSLN Deputy Orlando Rico thanked the government for its pledge to supply medicine to the country's health centers, adding that the health workers' strike movement was vindicated.

Energy Institute Director on Power Outages

PA1703191191 Managua Radio Sandino in Spanish 1200 GMT 13 Mar 91

[Interview with Emilio Rappaccioli, minister director of the Nicaraguan Institute of Energy (INE), with Edgard Barberena at Radio Sandino's studio in Managua—live]

[Excerpt] [Passage omitted] [Barberena] Engineer Rappaccioli, another situation has recently arisen, the power outages that have been reported even by EL NUEVO DIARIO. The newspaper's main articles talk about the stoppage at Enabas [National Enterprise for Staple Foods] and the INE's outages. The article includes statements by the INE labor union's secretary, Ovidio Vasquez. He said that partial outages would take place effective today in what he terms critical government sectors. We saw how the electricity was cut yesterday morning in the sector where the Presidency and the National Assembly are located. The electricity was again cut 1300, and I think it was restored at approximately 1630 or 1700. Why is the electricity being cut?

[Rappaccioli] With regard to what happened yesterday, some people know where the circuit breakers for certain lines are located and deactivated some of them. This affected the power supply to places like those you have mentioned—including the airport and other sectors of Managua. We hope that this will not happen today. We must adopt preventive measures so that it does not happen.

Speaking of the plants mentioned in the report, yesterday I met with the labor leaders until approximately 1500 or 1600. I talked to them and emphasized the danger of turning the power supply from the plants on and off. Plant managers have been in charge of everything concerning the plants' output. The plants are connected to a national control center, which tells them how to increase their output as the demand increases throughout the day and how to lower their output when the demand decreases. This is a very critical operation and it is the responsibility of certain persons. If a given plant starts to increase or lower its output without the center's authorization, or if it fails to obey the center's instructions, that is a great responsibility.

[Barberena] That would be anarchy, Eng. Rappaccioli, and it would cause chaos in the electrical system.

[Rappaccioli] It could happen. It could also damage very expensive equipment. I told them that yesterday. I said that they cannot expect....[changes thought] People who work in the plants are called operational personnel. They operate all the units and the secondary equipment, including the turbines and generators. They are answerable to the chief of the plant. That is how things worked until yesterday evening.

Like I said, a plant increases and decreases its output according to the national control center's requests. That is how it works. If decisions are adopted by the labor union at a given plant, meaning if an operator acts upon instructions from labor leaders, they will be fully responsible for everything, because the plant manager cannot interfere. He cannot be held responsible for a situation that he cannot fully control and the same goes for the people at the national control center.

We emphasized this yesterday. We told them that they cannot fool around with the equipment. For example, one of the units in the Managua plant almost had a short circuit on the evening of 9 March because the chief of the plant has not been able to carry out the plant's preventive maintenance—simply because workers in charge of the maintenance activities have not been under his

authority for two or three days. This could have damaged a generator that is worth $2-3 million. We mentioned this to the labor union comrades yesterday and we told them that this is very dangerous.

[Barberena] Taking advantage of your presence here, what is the current situation with regard to wages for INE workers?

[Rappaccioli] For the past few months we have been adjusting the minimum wage every 15 days according to the basic basket of 29 products. Every 15 days we visit certain stores and we calculate average prices. For example, to pay the second two weeks in February, on 25 February, a list of prices was compiled by a commission appointed for this purpose that has people from the administration and from the labor unions working for it. They visit stores on a certain day before payday, 25 February in this case. They figured out the total value of the basic basket. Minimum wage is 90 percent of this value. It is revised every 15 days. Wages are paid according to the basic basket, therefore, as time goes by—because inflation has been higher than weekly devaluations—minimum wage has reached 139 gold cordobas. This is much higher than in other institutions and enterprises.

If you compare this salary with INAA [Nicaraguan Aqueducts and Sewage Institute], which pays a 75-cordoba minimum wage, we pay twice as much. In addition, there is a seniority incentive at the INE, with an average wage difference of 20 percent. Of course there are workers who enjoy the maximum benefits of that incentive. Those who have worked there for over 20 years earn wages that are 50 percent higher. They also have the AFA [rice, beans, and sugar package]. Today this minimum wage is 2.6 times higher than what it was during the second two weeks in February, which means that there was a 170-percent increase. Therefore, with what has already been paid in March [word indistinct], the minimum wage is 376 cordobas.

Here I have a daily report on the Monday basic basket at the current prices. Yesterday, 90 percent of this basket was 504 cordobas. The minimum wage that is now being paid is 376 cordobas, 75 percent of the 90 percent figure. However, there is a reduction, as I have told workers, because 15 percent or more, probably 20-22 percent, is lost because when we begin counting from the day we go to the market to figure out the list of prices and the day workers are paid, two or three days have gone by and prices have increased. If you let four or five days pass—because not everyone can afford to spend all their salary on one day—the salary loses its real value. Therefore, even though nominal wages are 90 percent of the basic basket, real purchasing power is lower. After 15 days have passed, just before the next payday, the salary is worth less than 90 percent of the basic basket, perhaps 65 or 70 percent.

This is what I have told workers. Since we did not have a devaluation this past Sunday, the gold cordoba we carry around in our pockets has kept its value. We are seeing to it that prices are stabilizing and adjustments are being made little by little.

[Barberena] Eng. Rappaccioli's explanation is interesting. At least he has made it clear that INE workers are better off than others. A policeman, for example, earns the equivalent of $40. An INE worker earns an average of $75. Here we need to resort to the dollarization of the economy, because it is the only international reference with which we can make comparisons with other countries. Despite what Lacayo, Foreign Cooperation Minister Erwin Krugger, and others say, we are dollarizing. A policeman earns $40, office workers at the government palace earn an average of $50-60. The situation is complex. Of course INE workers are specialized workers with years of experience. Let us see what happens. We hope that all of these problems are resolved. We thank Eng. Rappaccioli for his presence here in Radio Sandino and for his explanations.

Remember pay your bills before 15 March. Those who pay before 15 March take advantage of the old exchange rate, one gold cordoba per dollar.

* Power, Corruption in FSLN Questioned

91CA0082A Managua EL NUEVO DIARIO in Spanish 14 Feb 91 p 4

[Commentary by Francisco X. Chamorro G.]

[Text] Probably the main problem facing the next congress of the Sandinist National Liberation Front (FSLN) is the enormous distrust felt by most Sandinist members and supporters concerning the sincerity of party leaders about changes which—and on this the majority agree—are needed in order to try to win back the government.

There is widespread feeling that the congress "has its hands tied," that there will be no substantial changes in persons or behavior among leaders who have headed the party.

But what is the reason for the distrust? What is at the root of the general feeling that the congress "has its hands tied"? Perhaps it is the fact that many party leaders have insisted on forgetting the past and merely looking ahead to the future.

And yet, if the future is not to be a repeat of the past, then the latter must be reviewed and the mistakes we made corrected. The problem with doing so is that when mistakes are pointed out, it is also necessary to assign blame.

Nor are we referring to those which we could now conveniently call mistakes. After all, it is now very easy to say that a decision made years ago was a mistake, without taking the specific circumstances that existed at the time into account. The mistakes to which we are referring are ones made yesterday, today, and tomorrow, independently of specific circumstances.

How To Plan a Program Without Reviewing Mistakes

How can a party draw up a new program without conducting a thorough review of the mistakes made? Are we going to offer the same Agrarian Reform we did when we were in government and which, in my opinion, pitted rural areas against the cities rather than bring them together? Are we going to continue working for government unionism when we are in government and dissident unionism when we are part of the opposition? Or shall we fight for an independent, combative unionism that will represent workers' interests regardless of whether we are part of the government or the opposition?

These and many more questions must necessarily be answered before rather than during the congress. That is why it is necessary that congressional debate be based on thorough information. Moreover, and perhaps most importantly, we must have a guarantee of true representation of the 50,000 Sandinist Front members among the 400 chosen.

Another consideration is the honesty of a number of the higher- and intermediate-level cadres of the FSLN. Not long ago, one Sandinist leader said that the few cases presented to the FSLN Ethics Committee proved the honesty of party members. That proves nothing. I personally think it is a better demonstration of democracy within the party than of its honesty.

Nor do I mean that the FSLN is filled with dishonest persons. Rather, I am sure the vast majority of true Sandinists are honest persons, but the exercise of power holds the danger of corruption that entraps a few comrades. Many of them held posts of responsibility in government or the party or both.

Those who did not behave as true Sandinists are few in number and discredit all Sandinism. What is more, we now see many of them entrenched in posts that most affect the Sandinist rank and file and with no other intention than to be delegates to the congress or be confirmed in their posts after it.

As long as there is no real political determination on the part of the current FSLN leadership to separate the rank and file from persons who have discredited all of us and who still have real strength in the party, then distrust will continue to be the main problem faced by the next congress of the FSLN.

Panama

Government Free To Initiate Diplomatic Relations

PA2103014391 Panama City EL SIGLO in Spanish 16 Mar 91 p 12-A

[Article by Zoila Rodriguez Jovane]

[Text] Foreign Minister Julio Linares has said that Panama is a sovereign state, and as such, the government is free to initiate diplomatic relations with any other state it may deem advisable.

Government representives recently held high-level contacts with USSR diplomats, and for the first time in over one year, it has sent a diplomatic delegation to Cuba, a country with which it has strained relations because of the asylum granted to family members and friends of deposed dictator General Manuel Antonio Noriega.

The foreign minister stressed that the U.S. Administration has "nothing to do" with the Foreign Ministry's decision to send a diplomatic envoy to Cuba or to establish ties with the USSR.

Linares said that this country is free to decide with whom to establish ties, without the interference of third countries.

He said: "If we consider ourselves an independent state, then that implies that we can maintain diplomatic relations with whom we want."

On the other hand, Olimpo Saez, president of the Foreign Relations Commission of the National Assembly, has said that diplomatic ties with Cuba and the USSR are particularly important to Panama because of its responsibility to maintain the neutrality of the canal.

President To Present Draft Bill Proscribing Army

PA2003225791 Panama City LA PRENSA in Spanish 19 Mar 91 p 1-A

[Report by Zoila Rodriguez Jovane]

[Text] President Guillermo Endara will present to the Legislative Assembly this week a draft bill to introduce reforms to the Constitution in order to definitively proscribe the existence of an army in Panama.

A press release from the Presidency states that the document which contains the modifications to the Constitution will first be subjected to consideration and approval by the members of the cabinet on 20 March and then presented to the Legislative Assembly on 21 March.

According to the communique, Article 305 clearly states that "the Republic of Panama shall not have an army."

The document states that "for the preservation of public order; for the protection of the lives, honor, and goods of all those under the State's jurisdiction; and for the prevention of crime, the law shall organize the necessary Police Force services, with separate commands and echelons and without autonomy in its administration, finance, and supplies."

The document also states that the president of the republic will be the supreme commander of the entire Police Force, comprising the National Air Service (SAN), the National Maritime Service (SMN), and the National Police, which shall be subordinated to "civilian power."

The draft bill states that "members of the police services shall not deliberate, demonstrate, or make political statements individually or jointly."

The document adds that "they shall not intervene in partisan politics. Violation of these prohibitions will bring on immediate dismissal from office, besides the punishments established by law."

Under the rule of the late General Omar Torrijos, the 1972 Constitution was adopted. That Constitution granted Torrijos the title of Chief of State and gave the Armed Forces independence from the civilian powers and authority to decisively influence the country's political life.

In March 1990, during his speech at the opening of the assembly's sessions, Endara promised to introduce changes to the Constitution to proscribe the army.

Interviewed in this regard, Legislator Jose Antonio Sossa, president of the Government and Constitutional Affairs Commission, said he was not aware of the presidency's plan despite the fact that he is in charge of preparing the 154 reforms that will be discussed.

When asked what would happen to the work carried out by the commission he headed, he answered: "It would practically end up meaning nothing."

Arias Calderon Views Constitutional Reform

PA2003160891 Panama City LA ESTRELLA DE PANAMA in Spanish 11 Mar 91 pp 1, B2

[Article by Juan Carlos Duque, chief editor]

[Text] Ricardo Arias Calderon, first vice president and minister of government and justice, has urged the country to undertake a process of constitutional reform as an essential element in reaffirming democracy. In that respect, he called for the executive branch to "quickly" present a package of constitutional reforms that would ensure the disestablishment of the army and that public security services are consolidated and possess the nature of a police force.

"The time to act in this regard is now," Arias Calderon said in a speech to Christian Democrat professionals and technicians on 9 March.

In his speech Arias Calderon focused on two urgent national issues—constitutional reform and a more effective government effort.

Second Vice President Guillermo Ford recently criticized the sluggishness of some public officials in completing projects and implementing public investments as established in the 1991 budget. Referring to this, Ricardo Arias Calderon pointed out that this issue is important and "deserves to be publicly discussed, despite the fact that it would have been better if a formal, explicit, broad, and detailed discussion had been previously held by the cabinet, which has broached the matter several times, but in a loose and fragmented manner." He urged that the public bidding, budget contests, and bid request procedures be "de-bureaucratized," saying that this is necessary if we wish to accelerate public investment and other government spending.

"The need to enforce controls and oversee such activities should not be an obstacle for de-bureaucratization. However, those organizations responsible for control and oversight must accept a reasonable and appropriate decentralization of certain decision-making powers, depending on the importance of the investments and the amounts involved," he added, referring to the Comptroller General's Office and the Finance Ministry.

The vice president acknowledged that the 1991 budget provides for $579 million in investments, but stressed that this includes a large percentage of funds coming from foreign sources.

Arias Calderon pointed out that an important part of those funds, specifically those coming from international financial institutions, will only be made available once an agreement is reached based on a positive evaluation by such agencies of the Panamanian economic plan and the structural changes that it includes.

In short, he affirmed that they would not be physically available until "well into this year." Arias Calderon also said: "Hence the importance of reaching an accord with these institutions, an accord on which the entire strategy with regard to the public debt depends. This accord has to be reached under terms not only economically consistent, but politically acceptable to the country, particularly the Legislative Assembly, without whose assistance some of the structural changes cannot become a reality."

He criticized the limitations on budget information and said that there is no official public report on last year's surplus and what will be done with these funds if they exceed the amount estimated in the 1991 budget. He expressed disagreement with the fact that, although the general budget was published in the gazette, it was only on 14 February that the Mippe [Ministry for Planning and Economic Policy] reported to the ministries about the amounts "allocated to us each quarter."

According to the vice president and minister of the government, "it is necessary to accelerate the preparation and distribution of the budget information."

On the trimming of bureaucracy, Arias Calderon said that quick privatization is necessary to provide funds to the state, directly or indirectly, for investment in priority areas of the social services infrastructure and for greater efficiency in our economy.

He asked: "What good is heated public debate on hypothetical privatization—which has not yet been decided upon and upon which there is no consensus—if privatization on which there is indeed a consensus in the government is not being carried out promptly?"

The Panamanian politician said in the presence of Christian Democratic Party [PDC] professionals and technicians that his political organization foresaw the urgent matters he presented. One example, he said, is that in December his party proposed strengthening the Civic Democratic Alliance "through concrete accords in seven areas of governmental activities." He added that the Civic Crusade responded with interest and that a working meeting will soon be held between PDC and Civic Crusade representatives.

Arias Calderon pointed out that constitutional reforms as well as social, economic, and financial aspects will have to be discussed during this Legislative Assembly session. He said: "We must not let this legislative session end without the members of the alliance acting jointly along these lines."

His words were also meant for the administration of justice. With regard to the Spadafora case, he said: "We hope that the trials will start very soon in those cases in which the judicial investigation has been completed."

After stressing that the PDC members are willing to work tirelessly to rebuild the country, "as we have always been ready to struggle for democracy," Arias Calderon demanded "mutual respect" for the members of the alliance to continue together and concluded that, if mutual respect is missing, the people of the PDC will do their job via other instruments that democracy offers.

Former Military Officer To Form New Party

PA2003232891 Panama City EL SIGLO in Spanish 13 Mar 91 p 2

[Text] Julian Melo is organizing a new political group called the Democratic Alliance Party [Partido Alianza Democratica]. According to him, this party will be partly funded by the 19 April Movement Democratic Alliance (AD M-19) of Colombia but it will not resort to terrorism as blackmail in order to acquire positions and fight for political opportunities within the framework of the democratic government. We are not interested in toppling governments, Melo added.

Julian Melo said that the party will not be headed by military men. He said that he is "the only military man who is organizing the movement." The civilians who are well prepared and thoroughly familiar with the problems of the country will, in due time, direct the Democractic Alliance Party.

Melo said that what motivated many citizens to create this political party was that it was an opportunity to defend the interests of the needy. The party will follow the guidelines of democracy. It is not a party with military inclinations. It aspires to a true political, economic, and social democracy that will achieve the necessary changes in society.

Melo added: We are also adverse to any type of authoritarianism, whether civilian or military, and do not expect a civilian dictatorship to take over in Panama. We aspire to a social and economic model based on our needs.

According to Melo, we have learned from opinion polls that the rich are getting richer and the poor are getting poorer all the time. So far, no measure has been taken that will benefit the popular masses who are the majority.

Melo stressed that unions have been insulted, dialogue has been set aside, and the 13th month bonus has been eliminated without previously consulting those sectors involved. The support for all these unpopular measures has diminished.

Argentina

Menem, Cavallo on Measures To Increase Revenues

PY2003171691 Buenos Aires BUENOS AIRES HERALD in Engiish 19 Mar 91 p 5

[From the "Finance and Economics" page]

[Text] (DYN)—The Executive has sent Congress a bill which would require that dollar debts be paid in dollars, Economy Minister Domingo Cavallo revealed yesterday, and will soon send another bill designed to return the fiscal system to one of "traditional taxes," according to Public Revenue Undersecretary Carlos Tacchi.

The two men made the announcement at the "First Seminar on Argentine Reality." President Carlos Menem took advantage of the same gathering to urge foreign investors to buy into Argentina, promising them that their capital will soon enjoy equal treatment to domestic capital.

Tacchi also revealed the preliminary results of the government's efforts to compile a "Who's Who" of tax evasion, announcing that 45 percent of the country's larger business have failed to meet their fiscal commitments.

Tacchi reckoned that the high-point in the country's fiscal history was March 1981, at the end of the incumbency of Jose Martinez de Hoz, when tax revenue was equivalent to 24 percent of gross domestic product.

Cavallo revealed that the government is considering the elimination or at least modification of the industrial promotion scheme in Tierra del Fuego. According to the economy minister, "an unassembled television costs 250 dollars when it is sent to Tierra del Fuego, where they add the casing and the packaging and hike up the price by 50 dollars."

Ikonicoff Named Interior Ministry Under Secretary

PY2003133291 Buenos Aires TELAM in Spanish 1240 GMT 20 Mar 91

[Text] Buenos Aires, 20 Mar (TELAM)—President Carlos Menem announced today that Moises Ikonicoff has been named the new Interior Ministry under secretary, replacing Jorge Diaz Martinez.

The announcement was made this morning by the chief of state in the conference room during the course of a news conference that he gave for journalists accredited to Government House.

Alleged 'Conspiracy' Against 'Madman' Menem

PY2003230691 Buenos Aires BUENOS AIRES HERALD in English 20 Mar 91 p 11

[Text] (DYN-NA)—Interior Minister Julio Mera Figueroa yesterday denied the report of a possible institutional conspiracy within the government ranks to replace President Carlos Menem with his brother Eduardo and place the head of state in an asylum as a "madman."

According to the version, which appeared as disclosed by Buenos Aires City Councillor Juan Carlos Suardi in an interview published by the municipal magazine Intendencias, Vice-President Eduardo Duhalde would run for Governor of Buenos Aires.

Yesterday Suardi denied having said what the magazine published as his statements but the magazine directors stated that Suardi had said what was published and underlined that they can provide the cassette with Suardi's statements. Suardi commented that Intendencias "is a virtually unknown publication which only receives advertising from City Hall and therefore works for Mayor Carlos Grosso, who wants to destroy me."

After meeting the President, Mera Figueroa told the press that the government had no knowledge of the alleged conspiracy. According to the magazine, Suardi had stated that the conspiracy failed because "a historical Peronist leader and somebody who was with Menem from long ago" warned Menem of the plan.

Suardi said there were "spurious interests" behind the article to try to make him appear as accusing several government officials while Menem said in a radio interview that those who spread the rumour were "criminals who want to insult and slander the government."

In turn, Duhalde described the statements as "not serious" and anticipated that Eduardo Menem would start legal actions against Suardi "because he felt insulted by his statements."

Mera Figueroa announced that the government will "invite Suardi to discuss the issue at the Interior Ministry" and clear all doubts. The city councillor said he would try to hold meetings today with Eduardo Menem and other members of the Justicialist National Council to explain the case.

Suardi pointed out that he not only defended the democratic system "but also Menem's government, which can only be judged by the voters in September." The orthodox Peronist leader stressed: "I could never have said that Menem was mad. Thank God the President has very good physical health, and anyway I could never have used the word which appears in the article (orate: madman) because I don't know what it means."

According to the article, the plot would also include placing current Presidential Chief-of-Staff Eduardo Bauza as "the strongman in government" and appointing Lower House Majority Leader Jose Luis Manzano (Peronist-Mendoza) as Interior Minister. Manzano gave Suardi 48 hours to ratify or rectify his statements, threatening legal actions.

The news agency Diarios y Noticias (DYN) stated it received a copy of the cassette with the interview published by Intendencias in which Suardi spoke of the alleged plot against President Menem.

Rights Leader Charged for Calling Menem 'Rubbish'

PY2103010091 Madrid EFE in English 0029 GMT 21 Mar 91

[Text] Buenos Aires, March 20 (EFE)—The federal prosecutor filed a complaint Wednesday against one of Argentina's best-known champions of human rights for insulting President Carlos Menem.

The charge arose from comments made by Hebe de Bonafini, the woman who led weekly marches in Buenos Aires' main Plaza de Mayo square to demand that Argentine military chiefs give information on the fate of thousands of people who disappeared during an Armed Forces dictatorship in the 1970's.

Bonafini, chairwoman of the Mothers of the Plaza de Mayo, described Menem as "rubbish" in a recent interview with a Spanish television station.

A Justice Ministry official said the decision to prosecute Bonafini had been taken by the president's office.

The Mothers of the Plaza de Mayo groups relatives of people killed or who disappeared in the military junta's crackdown against leftists.

Earlier this year, Menem stirred a public outcry when he pardoned leading members of the former military government who were jailed for human rights abuses.

CNEA Chief on Construction, Uranium Sales

PY2003160691 Buenos Aires TELAM in Spanish 0004 GMT 20 Mar 91

[Text] Buenos Aires, 19 Mar (TELAM)—This evening Manuel Mondino, chairman of the National Atomic Energy Commission (CNEA), announced that work has been resumed at the heavy water plant in Arroyito. The plant, which will create some 600 jobs, should be finished by the end of this year.

At the end of an Olivos residence meeting with President Carlos Menem, Mondino, who was accompanied by other CNEA officials, disclosed to the media that in the next few days Argentina will receive the first portion of FRG banks loans amounting to 200 million Deutsche marks allocated to continue building the Atucha-2 plant.

In this regard, Mondino said that the resumption of work at the Atucha plant will create 2,500 jobs.

After noting that the president had received this news with enthusiasm, Mondino also announced that the CNEA is strongly promoting relations with Brazil, in keeping with the nuclear protocols signed by Presidents Menem and Fernando Collor de Melo in Puerto Iguacu last year.

Mondino also disclosed that negotiations are being established with India for the sale of uranium dioxide which Argentina supplies at an international level.

Mondino ended by stating that 15 tons of uranium dioxide have been exported to Europe so far this year and that he believes that sales will continue at a similar rate in 1992.

Defence Minister Gonzalez Leaves for Rome 20 Mar

PY2003230791 Buenos Aires TELAM in Spanish 2115 GMT 20 Mar 91

[Text] Buenos Aires, 20 Mar (TELAM)—At 1800 today, Defense Minister Antonio Erman Gonzalez left for Rome where he will meet his Italian counterpart, Virginio Rognoni.

During his visit to Rome, which will end on 25 March, Gonzalez will seek to implement agreements on production for defense and will discuss the possibility of promoting technological exchange and joint production efforts.

Bolivia

Militarization 'First Step to Colombianization'

PY2003155091 La Paz Radio Fides in Spanish 1100 GMT 20 Mar 91

[Station editorial]

[Text] In our judgement, the two previous Bolivian constitutional governments of Hernan Siles Zuazo and of Victor Paz Estenssoro managed to bring about much closer relations with the United States. However, in 12 years of government, U.S.-Bolivian relations have never been so close.

The implementation of Annex III on the militarization of the struggle against drug trafficking seemed inevitable, despite official denials. This situation is a bit worrisome because we have always been against the militarization of the anti-drug struggle, even though the executive branch has constitutional power to make that decision, and we believe that the ruling Patriotic Agreement and the executive branch have studied the situation very well.

In our judgement, militarization of the struggle against drug trafficking is the first step toward the Colombianization of our country. This is a very serious and worrisome decision. We believe that [words indistinct] the interests of the country.

Colombia is the country closer to Bolivia [as heard] and the first step toward Colombianization has been the government decision to militarize the struggle against drug trafficking. This decision will probably yield negative results in the next elections, and it surely is not in the interests of the Armed Forces, the coca growers, or the nation.

Who can guarantee to the government that the militarization plan will not also prompt rampant corruption within the Army and the beginning of narcoterrorism in our country?

We believe that this decision is negative, although we hope that time will prove us wrong. But we want to reaffirm our belief that the government decision to militarize the struggle against drug trafficking is negative. We hope we are mistaken and that narcoterrorism will never arrive in our country.

Militarization Criticized

PY2003142091 La Paz Radio Fides in Spanish 1100 GMT 20 Mar 91

[Text] Defense Minister Hector Ormachea Penaranda, U.S. Ambassador Robert Gelbard, and Foreign Minister Carlos Iturralde held an official meeting yesterday at the Defense Ministry, and they decided to implement the Annex III, which provides for the militarization of the struggle against drug trafficking in Bolivia.

Free Bolivia Movement Deputy Alfonso Alem has regretted the fact that the government is implementing measures adopted by the Bush administration to the detriment of national sovereignty.

[Begin Alem recording] Pressured by events over the past few hours, the president of the Republic has been forced to authorize the participation of the Army in the struggle against drug trafficking. This worries us very much. This means that the country has been militarized [words indistinct]. [end recording]

The Bolivian Labor Confederation has warned that the ratification of the agreement between the U.S. and the Bolivian Governments to implement the Annex III will bring mourning and bloodshed in the country. [recorded passage indistinct]

Coca Producers Suspend Eradication Program

PY2003180391 La Paz EL DIARIO in Spanish 13 Mar 91 p 5

[Text] The Federation of Coca-Producing Campesinos of the Chapare [Federacion de Campesinos Productores de Coca del Chapare] and the Trade Union Confederation of Bolivian Settlers [CSCB] have ordered the suspension of the substitution and eradication of coca plantations in all the regions where it is produced following the failure of the Alternative Development Programs that are being undertaken by the government with the support of the countries that are considered to be the main consumers of cocaine.

This was announced by Julio Arce, a member of the coca commission of the Bolivian Labor Federation (COB), who stated that this decision comes as part of the labor federation's "Struggle Plan" against the government's economic policy. The plan will conclude on 28 March with an international demonstration by coca producers from Bolivia, Peru, and Colombia on the occasion of a meeting called the First Andean Encounter of Coca Producers [Primer Encuentro Andino de Productores de Coca] with the participation of delegations from Peru, Ecuador, Colombia, and Venezuela.

The suspension of the coca eradication could place in serious difficulties the government's official plans within the framework of its struggle against drug trafficking, which is largely financed by the United States in exchange for the progressive elimination of coca plantations.

According to official government reports, approximately 7,500 hectares were eradicated in 1990 and this year some 6,000 hectares were to have been destroyed so that in a period of 5 years only 12,000 hectares would remain. This is considered sufficient to cover the demands of traditional consumers, who are generally Altiplano campesinos.

Currently there are some 60,000 hectares of coca plantations in Bolivia. The majority of the production goes to the producers of basic cocaine, which is then refined in laboratories in Colombia, according to official police reports.

"The government has promised a lot, but up to the present time it has given very little to the campesinos who have voluntarily eradicated their coca plantations. There will be no more eradication of plantations until the government complies with its commitments," Arce stressed.

The government should have disbursed $2,000 for each eradicated hectare, in addition to giving substantial aid for the planting of other crops that are considered to be alternatives.

According to unofficial reports, coca plantations have increased recently in the northeastern part of Cochabamba Department because of the delays in the Alternative Development Programs. These new plantations are nearly the same size as the plantations that have been eradicated up to the present time.

Brazil

Fuel, Cooking Gas Shortages in Several States

PY2003132891 Rio de Janeiro Rede Globo Television in Portuguese 2300 GMT 19 Mar 91

[Text] The fuel crisis is now affecting several states. Gasoline, diesel fuel, and cooking gas are in short supply.

In Uruguaiana, on the Argentine border, long lines formed in front of gas warehouses. The 1,000 gas bottles of this distributing company were sold quickly.

In western Santa Catarina State there is also a gas shortage. In Chapeco [in Santa Catarina State], the sale of bottled gas was limited. Each consumer could take

home only one bottle, but the gas supply was quickly exhausted, and many people left for home with their empty bottles.

In Florianopolis [in Santa Catarina State], gasoline is already in short supply at some stations. Many gas stations operated with their pumps locked.

In Foz do Iguacu [in Parana State], most of the gas stations do not have any gasoline or diesel fuel. Today many people crossed the border and got their supplies from Ciudad del Este in Paraguay where fuels are 30 percent more expensive on the average.

In Salvador, gasoline is in short supply in many gas stations, but the most dramatic situation involves the truckers. They are parked in the city of Feira de Santana, 110 km from Salvador, because there is no diesel fuel in many gas stations on a 400-km stretch of the road linking Rio de Janeiro with Bahia.

The fuel shortage also affects Sao Paulo. In Campinas, 20 percent of the gas stations receive fuel every second day.

In Ipe in western Sao Paulo State, there is not enough diesel fuel to operate farm equipment.

In Bauru, the distribution of gas has been rationed.

In the Presidente Prudente region, six cities are not receiving any gas supplies.

The government has said that it will only negotiate after the oil workers go back to work. The Superior Labor Court [TST] ruling bans picket lines at the refineries.

The TST ruling asking the oil workers to end their strike is the court's final word. The government is trying to convince the workers to obey this judgment, which may not be appealed.

The actions are being coordinated by the Infrastructure Ministry where there is already an initial conclusion concerning the fuel supply: From Sao Paulo southward, the situation is already critical.

[Begin recording by National Fuels Department Director Maria Auxiliadora Jacobina] We are promoting transfers from other regions to these regions so as not to leave the population without products, but, to the extent that the workers do not go back to work, these stocks will be depleted and the (?situation) will become more difficult. [end recording]

Today the government hoped that the oil workers would observe the TST rulings, going back to work. However, exactly the opposite happened.

According to the Infrastructure Ministry, even the refineries that yesterday operated at 30 percent of their production capacity today stopped operating by order of the trade unions.

Infrastructure Minister Ozires Silva, who left the ministry today only to discuss energy matters in Congress, asserts: The government will only talk with the oil workers after they go back to work.

[Begin Silva recording] Talks could be held indeed, but first they must comply with the court ruling, a point that was established from the very beginning.

Had they complied with the court ruling that was issued earlier, then the matter would already have been resolved because everything can be resolved through dialogue. [end recording]

At this moment, the infrastructure minister is meeting with National Energy Secretary Rubens Vaz and National Fuels Department Director Maria Auxiliadora Jacobina to evaluate the situation of gasoline, diesel fuel, and cooking gas supplies in our country.

Chile

Aylwin Addresses Bankers on Debt Agreement

PY2003182991 Santiago Radio Nacional de Chile Network in Spanish 1100 GMT 20 Mar 91

[Text] President Patricio Aylwin has labeled the conclusion of the foreign debt negotiation with representatives of international banks as a first solid and fruitful step within the new stage in Chile.

President Aylwin officially received the bank representatives at La Moneda Palace. He emphasized the importance of the successful negotiation of the Chilean foreign debt, which began last September.

[Begin Aylwin recording] This agreement demonstrates to the government and the country the importance of refinancing the debt by issuing medium-term bonds which will help our economic development. We know that this represents the first solid and fruitful step in the new stage that Chile is experiencing with its return to the world of international credits. [end recording]

Aylwin told the bankers who subscribed to the foreign debt bonds that Chile has made great sacrifices to recover its economy and to grow again with dignity and equity. He added that the country has traveled a complex and hard road in the recovery of its democracy, and that it will fulfill its goals and commitments with responsibility. The bankers have subscribed to the foreign debt bonds to the tune of $320 million.

Foxley Denies 'Political Crisis,' Asks for Calm

PY2103031091 Santiago Radio Nacional de Chile Network in Spanish 2300 GMT 20 Mar 91

[Excerpts] Finance Minister Alejandro Foxley told businessmen gathered at the Chilean-U.S. Chamber of Commerce that the next phase for the Chilean economy will be to maintain a serious and reliable policy that will allow first-rate enterprises access to the private financial market [mercado de credito voluntario de financiamiento] under the same conditions established for

enterprises of developed countries. Foxley noted that, to attain this objective, the state must contribute technology and investments and enterprises must make an effort to improve their efficiency and productivity to be able to place their class-A bonds on the international capital market. [passage omitted]

At the end of the meeting, Minister Foxley was approached by reporters and asked his opinion on the debate in the Health Ministry and rumors about an alleged conflict between the Christian Democratic Party [PDC] and the Party for Democracy [PPD].

On this last issue, Foxley said that a conflict of a technical nature, such as this one, should not be seen as a political crisis.

[Begin Foxley recording] The PPD and the PDC have had some disagreements in the health sector. Yesterday I met with some of the people involved, including the health minister. Now we hear that a strictly operational problem—a problem having to do with the efficiency of a ministry, a problem between members of a team who probably disagreed on how to carry out a specific task—is becoming a political problem.

It should not be the case that every event like this—which is quite natural in any democratic government throughout the world—is to be regarded as a political crisis, because there is no such crisis. The various parties within the government, and especially the PDC and the PPD, share the best relationship. I would therefore ask everyone to remain calm. Health Minister Jorge Jimenez is making a great effort in the health sector. I have witnessed this myself, because I have accompanied him on some of his visits to hospitals; our health service is improving. He is doing a very good job. Therefore, he has our full support. [end recording]

Foxley said the government is strongly united and that events like this one have no affect on President Patricio Aylwin's cabinet.

Finance Minister Comments on Foreign Debt Bonds

PY2003185191 Santiago Television Nacional de Chile Network in Spanish 0000 GMT 20 Mar 91

[Excerpt] Finance Minister Alejandro Foxley today called on the international financial institutions to buy Chilean state bonds, the revenue from which will be used to implement medium- and short-term investment projects.

[Begin recording] [Reporter] Minister Foxley participated today in a ceremony during which agreements were signed for the sale of Chilean state bonds worth $200 million to 20 foreign banks.

This is the first part of an agreement that will allow Chile to return to the credit market. The second part of the agreement, which is worth $120 million, will be signed in March 1992. The bonds will provide Chile with new international resources that will help the 1991 and 1992 national budgets.

Foxley also reported that the economy grew 2.1 percent during 1990. This represents the eighth consecutive year of economic progress. He also said that inflation this year will be under 18 percent. Because of this progress, Foxley called on international financial organizations to invest in the Chilean bonds.

[Foxley] We ask ourselves: Is it possible for Chile, in an organized and responsible manner, to contact non-banking sources like the insurance companies, mutual assistance funds, and pension funds of industrialized countries, and to persuade them to subscribe to our medium- and long-term bonds? The invested money will be used to finance first-class investment projects in private and public enterprises in Chile. We believe the answer will be; yes.

[Reporter] The representatives of the international banks agree that Chile has the best economy in Latin America. (Donald McCutch), president of Manufacturers Hanover Trust Co. which is the main Chilean creditor, has said that investors now look at Chile with special interest. He added that if President Bush needs a model for his Americas Initiative he will not find a better model than Chile. [passage omitted] [end recording]

Education Minister Denies Interparty 'Crisis'

PY2103025891 Santiago Radio Nacional de Chile Network in Spanish 2300 GMT 20 Mar 91

[Excerpt] Education Minister Ricardo Lagos has denied that he has considered resigning due to the debate between the PPD [Party for Democracy] and the Health Ministry.

Minister Lagos said that this was an absurd assumption. He also reiterated that there is no crisis between the Christian Democratic Party and the PPD. He mentioned that, within the Health Ministry, the two political parties work in a coordinated manner and without any problems. [passage omitted]

Health Ministry Budget Official Solimano Resigns

PY2103025091 Santiago Television Nacional de Chile Network in Spanish 0000 GMT 21 Mar 91

[Excerpt] Health Minister Jorge Jimenez has ruled out the possibility that a conflict between the Christian Democracy and the PPD [Party for Democracy] led to the voluntary resignation of Dr. Giorgio Solimano.

Jimenez noted that Solimano withdrew from his post as director of the Health Ministry Planning and Budget Department for reasons having to do with technical adjustments only. [passage omitted]

Air Force Chief Denies Rumors of Resignation

PY2003185291 Santiago Radio Chilena Network in Spanish 1700 GMT 20 Mar 91

[Text] General Fernando Matthei today reaffirmed his willingness to resign someday from his post as commander in chief of the Air Force. He denied, however, that this decision will be made very soon, and added that reports circulating in this regard are mere speculation for which he is not responsible.

Matthei today briefly talked to the press at El Bosque Air Base where he welcomed Peruvian Air Force Commander General Armando Velarde, who is also chairman of the Peruvian Armed Forces Joint Command.

Quote: When I go, you will know about it, unquote, Matthei said several times to reporters who repeatedly asked him this question. It is mere speculation for which I am not responsible, he said, referring to reports that he communicated to the government his intention to step down from his post upon completing one year as Air Force chief under the new government.

This report has been strengthened by a recent accident the general suffered while he was piloting a glider, according to the same reports.

The general repeated: When I go, it will be for one single reason. I have full confidence in the Air Force commanders and officers and in their capabilities. He did not specify when will he retire, but said: someday, just as simple as that. I cannot tell you anything else.

Uruguay's Lacalle Arrives; Welcomed by Aylwin

PY2103024091 Santiago Television Nacional de Chile Network in Spanish 0000 GMT 21 Mar 91

[Excerpt] The president of the Oriental Republic of Uruguay, Luis Alberto Lacalle, is arriving in our country at this exact moment. We are now in direct contact with journalist Antonio Quinteros, who will report from the Pudahuel airport. Good evening, Antonio.

[Quinteros] Good evening, Bernardo. That's right. The PLUNA [Uruguayan National Airlines] airplane carrying Uruguayan President Luis Alberto Lacalle, his wife, and his entourage has just landed on the runway of this international airport. This is the Uruguayan president's first visit to our country since he assumed his post on 1 March 1990.

Lacalle is being met here by the president of the Republic, Patricio Aylwin, the entire cabinet, the commanders in chief of the three branches of the Armed Forces, and special guests.

What we are hearing in the background is a salute to honor the illustrious visitor. [passage omitted]

Colombia

Gaviria on Talks With Venezuela, Other Issues

PA2103022291

[Editorial report] The following is a compilation of Paris AFP in Spanish dispatches, datelined in Caracas on 15 March, on comments by Colombian President Cesar Gaviria Trujillo during the "Buenos Dias" program broadcast on 15 March on Venezuelan commercial television station Venevision, within the framework of Gaviria's visit to that country from 13 to 16 March.

At 1610 GMT, AFP carries a 200-word dispatch which states that Gaviria feels the "negotiations on the delimitation of marine and submarine regions of the Gulf of Venezuela are 'encouraging' and he expects a final solution to the Colombian-Venezuelan dispute to be found 'soon.'"

At 1655 GMT, AFP carries a 200-word dispatch on Gaviria discussing "the extradition of drug lords, which began the drug cartel's wave of violence in Colombia." Gaviria says "that he supported it at one time and even during the electoral campaign, but now 'it is a worn out policy,'" the report says. On the surrender of three Medellin Cartel drug lords, Gaviria is cited as saying that "he trusts they will receive sentences in accordance with their crimes. He says: 'Colombia cannot trust the justice systems of other countries.'"

At 1701 GMT, AFP carries a 150-word dispatch citing Gaviria on relations with Cuba. Gavira notes that "although there are no sensitive obstacles, his government is not planning to formalize relations with Cuba." Recalling the Colombian guerrilla's ties to the Havana regime, the "president admitted this problem has not been completely eliminated, which is why the conditions do not exist to formalize relations between Havana and Bogota," the dispatch reports.

At 1721, AFP concludes with a 200-word dispatch on Gaviria's remarks regarding violence, which he described "as the final stumbling block in the development of his country," and the end of the bipartisan system. Gaviria also describes relations with the United States as "complex," and recalls the "tremendous sacrifice the war on drug trafficking has entailed for his country." The dispatch adds that Gaviria notes that "the bipartisan system is coming to an end, referring to the emergence of the 19 April Movement Democratic Alliance, headed by Antonio Navarro Wolff."

Rebels Attack Oil Pipeline, Ecopetrol Official

PA2103022191 Bogota Radio Cadena Nacional in Spanish 1200 GMT 18 Mar 91

[Text] According to the authorities, the Simon Bolivar National Guerrilla Coordinating Board [CNG] carried out terrorist actions again in the morning of 18 March when two dynamite attacks were carried out in the Santander Department.

The first attack was carried out against the pipeline that carries petroleum derivatives from the Payoa fields to the refinery in Barrancabermeja. There was considerable damage, and the Ecopetrol [Colombian Petroleum Enterprise] officials were forced to stop pumping.

The attack was carried out between Sabana De Torres and Barrancabermeja, and Ecopetrol work teams were sent there to try to reestablish the service before noon.

The other attack was carried out the same morning on the residence of Nora Caceres, an official of the Barrancabermeja oil district. That attack was allegedly carried out by CNG guerrillas who set off another charge of dynamite. The blast destroyed the house and damaged several buildings within a 500-meter radius.

Police authorities who answered the emergency call said there were no reported deaths or injuries in either case.

CNG: Direct Dialogue Chief Element for Peace

PA2003230691 Bogota Radio Cadena Nacional in Spanish 1200 GMT 17 Mar 91

[Text] Bogota—The Simon Bolivar National Guerrilla Coordinating Board [CNG] has insisted that a direct dialogue in people's presence constitutes the chief element in the search for a solution to the country's armed conflict. In addition to reiterating their willingness to hold talks with the government, the CNG leaders noted in a communique divulged at the Forum for Peace—recently held in Santander Department—that the struggle will continue in order to attain economic and constitutional gains.

At the same time the CNG was making that statement, the fighting between the army and that rebel groups continued in different regions of the country. The communique said that the armed rebel groups want the Attorney General's Office to conduct an investigation into alleged abuses by the army against their militants.

CNG Releases 9 Policemen, TV Reporters

PA2003230591 Bogota Inravision Television Cadena 1 in Spanish 0000 GMT 20 Mar 91

[Text] Nine policemen, who were kidnapped along with reporters from this newscast several weeks ago by the Simon Bolivar National Coordinating Board [CNG], were released today in Santander.

Meanwhile, it has been six months since Francisco Santos Calderon was kidnapped by the Extraditables. According to security institutions, nothing has been heard from the EL TIEMPO editorial chief Santos or from journalist Maruja Pachon for over two months.

Francisco Santos was kidnapped as he was leaving the EL TIEMPO offices, and during the assault, his driver was killed.

Since 19 December, only two communications have been received from Francisco: one for his family and one for President Gaviria. Many people have voiced their pleas for the journalists' prompt release. Once again this newscast repeats those pleas.

Peru

Defense Minister Supports Anti-Drug Agreement

PY2003150491 Lima RTP Television Network in Spanish 1100 GMT 20 Mar 91

[Text] Defense Minister General Jorge Torres has expressed his total support for the anti-drug agreement with the United States. He said that the agreement will make possible improvements in the Armed Forces budget so that they can fight narcoterrorism.

[Begin recording] [Reporter] There are rumors of displeasure in the Armed Forces over the signing of an anti-drug agreement with the United States. Are you evaluating the military necessity of signing that agreement?

[Torres] Well, that is in the hand of the president of the Republic who is looking at the anti-drug agreement closely. Nevertheless, our participation, as Armed Forces, in the anti-drug agreement is not direct. We will only participate in countersubversion.

[Reporter] Has the Armed Forces opinion on signing this agreement been solicited?

[Torres] Not yet.

[Reporter] Are you waiting for the president to coordinate?

[Torres] We have always coordinated. The previous anti-drug agreement with the United States also....

[Reporters, interrupting] [Questions indistinct]?

[Torres] This agreement should be similar to the previous one in which we participated in countersubversion.

[Reporters] [Questions indistinct]?

[Torres] That is what I am telling you. If this agreement is similar to the previous one, there is no reason to reject it. On the contrary,, I believe we have to take advantage of the fact that other countries—in this case the United States—decided to cooperate with the Armed Forces and the National Police so that we can refurbish and increase our equipment, which is now in somewhat poor condition. [end recording]

Argentina's Di Tella on Integration, Cooperation

PY2003153091 Buenos Aires TELAM in Spanish 1128 GMT 20 Mar 91

[By special correspondent Silvina Scheiner]

[Text] Lima, 20 Mar (TELAM)—Foreign Minister Guido di Tella has maintained that the economic, trade,

and financial reinsertion of Latin America into dominant world currents is one of the conditions that will allow the region's countries to resume the path to prosperity.

Di Tella did not dismiss the possibility of implementing upcoming agreements between the countries of the Southern Cone common market [Mercosur] and the countries of the Andean Pact. The foreign minister made these remarks during a news conference that he gave just after arriving on an official visit in Lima, where he will remain until tonight.

The foreign minister maintained that the Latin American countries cannot live in isolation from the rest of the world, and he recalled that for the past 40 years Argentina isolated itself from international trends and reaped no benefits from doing so.

The reinsertion of Argentina, Peru, and Latin America into world currents in the economics, finance, and trade is one of the conditions for resuming the path to prosperity, a right that Latin American nations also have, Di Tella stressed.

He added that Latin America's current reality, with its processes of economic reform and democratization, is being regarded in a different way by the rest of the world. He noted that despite the fact that at a certain time it seemed that the world's attention would be turned toward Europe, today the world is beginning to regard Latin America as a region of peace, democracy, and economic reforms.

When asked about relations between Argentina and Peru, the foreign minister indicated that in order to strengthen the contacts between our countries we must analyze the fact that our countries are members of two different subregional groups: Argentina has firm links with the Mercosur, while Peru actively participates in the Andean Pact.

They are not groups in confrontation, and currently there is the explicit intention to integrate these two groups that are the beginning of a new way of regarding Latin America, Di Tella said.

He added that the change that has occurred in Peru will help the integration policy because our current strategies are similar, more so than they were in the past.

He indicated that the new economic opening in Peru facilitates in the exchange of trade and the signing of agreements. In this respect he indicated that the agreement between the Mercosur and the Andean Group is much closer than in times gone by because we have embarked on policies whose basic points at least are quite similar.

When he was asked about Argentina's economic policy, Di Tella indicated that the Argentine state does not want state enterprises any more. Argentina wants to set the guidelines for the creation of private enterprises. We no longer want to be businessmen, he asserted.

We have therefore decided to withdraw from all sectors in which businessmen can act. We will restrict ourselves to the defense, health, and education sectors, which in themselves are gigantic tasks, Di Tella said.

Regarding the cholera epidemic, he stated that there are no cases in Argentina, but he indicated that there is the possibility that there could be cases.

This is why we are taking preventive measures, but we would like to know what measures are being taken here in order to exchange experiences and help each other, Di Tella said.

He maintained that the ecological conditions in Argentina are different from Peru; therefore, it is less probable that cases could appear. Nevertheless, to be quite sure we have to work and we have to do so with the cooperation of those countries that have experience in the matter.

Di Tella Meets Fujimori

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[By special correspondent Silvina Scheiner]

[Text] Lima, 20 Mar—Argentine Foreign Minister Guido di Tella today met with President Alberto Fujimori. He expressed the solidarity of the Argentine Government with the Peruvian people over the cholera epidemic that is affecting this country and stressed to the media the consolidation of the Latin American democracies.

Di Tella made this statement to the media at the end of his visit to Lima, where he met with Fujimori. Di Tella also spoke about regional integration issues.

The Argentine foreign minister was asked about a report in a Brazilian newspaper which states that Brazil has rejected two Argentine proposals that advocated intervention by the Southern Cone countries Armed Forces in case of a coup d'etat. He replied that such a report or proposal does not in any way reflect the thinking or the planning of the Argentine Government.

The Argentine foreign minister stressed that Latin American democracies are consolidated to a point where there is no need to consider such projects.

Regarding his meeting with President Fujimori, Di Tella said they discussed a possible visit by Fujimori to Argentina at the end of 1991 or early in 1992.

The Argentine foreign minister said he came to Lima to express Argentine solidarity with a country that is suffering. The subject of cholera is being well publicized and everyone is aware of it in other Latin American countries.

He said that any country within the American continent could be hit by an illness like cholera, so no one can ignore it and say that it will not happen in his country.

Asked about the charges of corruption against the Argentine Government, as published in the European media, Di Tella said that such reports do not affect Argentine relations with other countries or the Argentine Government's credibility, since such reports are unfounded.

Di Tella also labeled as preposterous the report that Eduardo Menem is plotting to overthrow his brother, President Carlos Menem.